CITY OF WATERLOO

MEMBERS OF CITY COUNCIL

1985

Mayor

MARJORIE CARROLL

Aldermen

Jim Erb

Robert Henry

Mary Jane Mewhinney

Andrew Telegdi

Brian Turnbull

Dorothy Schnarr

John Shortreed

Lynne Woolstencroft

DEPARTMENT HEADS

Don Roughley
Chief Administrative Officer

Ron Keeling,
City Clerk

Tom Stockie,
City Treasurer

Jim Willis,
Commissioner of Works &
City Engineer

Ken Pflug,
Community Services
Director

Tom Slomke,
Planning Director

John Staller,
Fire Chief

Terry Hallman,
Director of Personnel

Gerry O'Neil,
Business Development
Director

The Corporation of the City of Waterloo

April 22, 1986,

Mayor Marjorie Carroll,
Members of City Council,
Waterloo, Ontario.

Dear Members of Council;

I am submitting, in detail, the Treasurer's and Auditor's Report for the year ended December 31, 1985.

During the past year, the following mill rates were levied for education, regional and local municipal purposes:

Public and Separate School Supporters

Residential and Farm	197.272
Business, Commercial & Industrial	232.085

We completed the year with a substantial surplus, allocating $50,000. to the Fire Equipment Reserve Fund, $100,000. to the Winter Control Reserve, $514,473. to the Municipal Buildings and Facilities Reserve Fund and carrying forward to the 1986 budget a surplus of $1,050,000. The surplus was generated by revenues exceeding budget, particularly in supplementary tax revenue, building permits, engineering design and supervision revenue, interest income and payments-in-lieu of taxes.

The Regional Municipality of Waterloo issued, on behalf of the City of Waterloo, debentures for local improvements in the amount of $524,324., and debentures for the Canbar Street property in the amount of $735,000. at an average interest rate of 10%.

The following additional reports are provided, giving details of certain activities in 1985:

Taxable assessment, figures & graph
Population Statistics, figures & graph
Industrial Lands Account
Park Lands Account
Unit Levy Account
Impost Charges Account
Community Services Concessions

City Hall, 20 Erb St. W., P.O. Box 337, Marsland Centre, Waterloo, Ontario. N2J 4A8 (519) 886-1550

I would like to express my appreciation to the Mayor and members of City Council for their co-operation. I would also like to thank Gina Luciantonio, the Manager of Accounting and Systems, who has prepared this year's Financial Statements; Ross McKee, the Director of Revenue who has done an exellent job again in revenue collections and all members of the Finance Department for their dedication and support.

Yours very truly,

T. Stockie

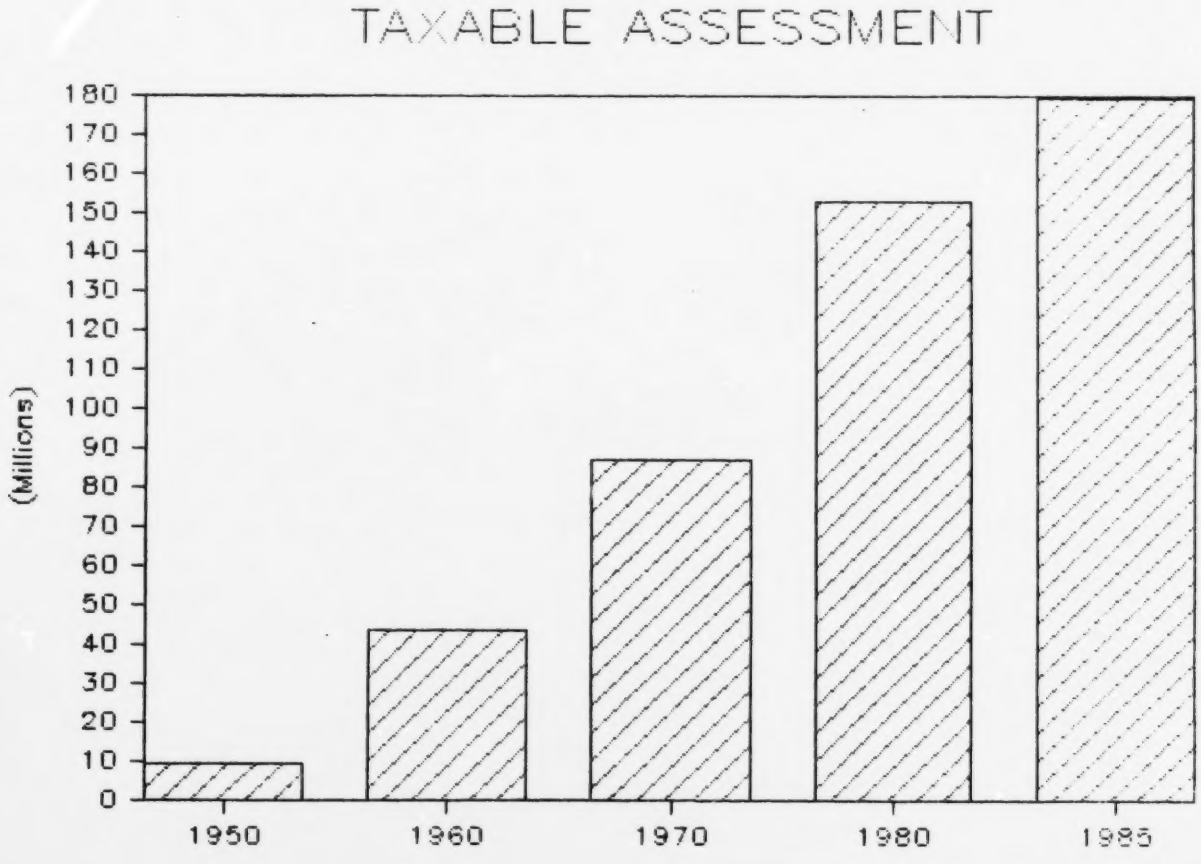
TBS/dg

T. B. Stockie, C.M.A.,
City Treasurer,
City of Waterloo.

BREAKDOWN OF TAXABLE ASSESSMENT IN THE CITY OF WATERLOO

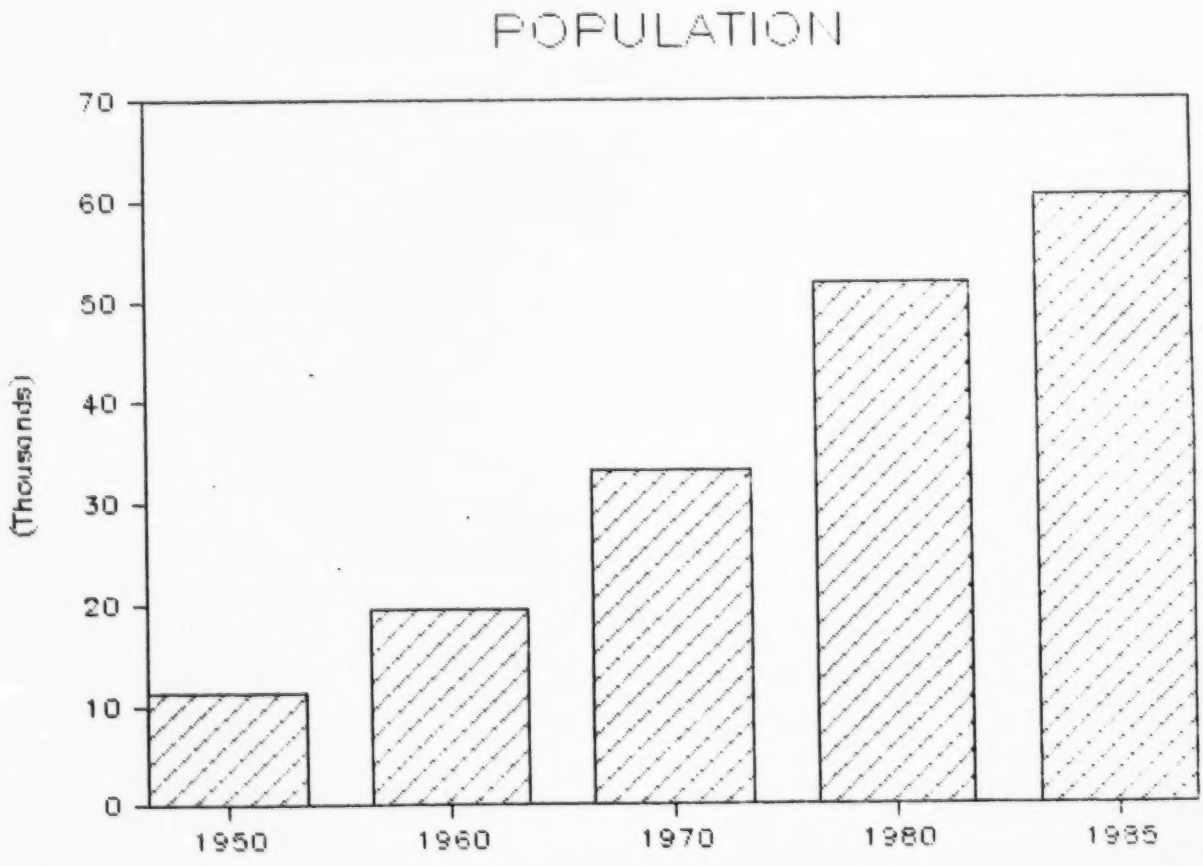
Taxation Year	Residential	%	Industrial and Commercial	%
1986	117,074,531	62.48	70,291,242	37.52
1985	112,580,647	62.61	67,223,547	37.39
1984	107,973,058	61.16	65,724,891	37.84
1983	105,000,578	61.02	64,292,506	37.98
1982	103,420,644	62.46	62,164,719	37.54
*1981	92,677,295	59.95	61,907,052	40.05
*1980	90,029,655	60.00	60,023,510	40.00
*1979	88,227,620	61.17	55,996,809	38.83
*1978	86,076,310	63.63	49,206,895	36.37
*1977	81,550,555	62.94	48,014,580	37.06
*1976	78,098,258	62.86	46,147,775	37.14
*1975	75,382,590	63.07	44,143,255	36.93
*1974	68,081,430	61.80	42,077,770	38.20
*1973	64,319,875	62.20	39,081,780	37.80
1972	59,243,875	59.89	39,670,900	40.11
1971	57,069,175	60.97	36,454,810	39.03
1970	54,438,525	62.38	32,825,750	37.62

*Figures shown are for the former City of Waterloo only. Higher residential ratio due to Bell Telephone Assessment being deleted as taxable on Assessment Roll.



POPULATION

1959 - 19,483	1968 - 32,625	1977 - 51,473
1960 - 20,562	1969 - 33,349	1978 - 50,291
1961 - 21,665	1970 - 34,641	1979 - 51,795
1962 - 22,244	1971 - 36,313	1980 - 543,157
1963 - 23,401	1972 - 38,817	1981 - 54,831
1964 - 25,478	1973 - 41,998	1982 - 57,412
1965 - 28,079	1974 - 45,349	1983 - 58,734
1966 - 29,894	1975 - 48,468	1984 - 60,591
1967 - 31,422	1976 - 49.972	1985 - 63,265



INDUSTRIAL LANDS ACCOUNT

CASH POSITION

AS AT DECEMBER 31, 1985

PURCHASER	LOCATION	ACREAGE	CLOSING DATE	ACTUAL RECEIPTS	UNIT LEVY	NET INDUSTRIAL LAND CONTRIBUTION	
Balance as at December 31, 1984							($37,183.21)
RECEIPTS							
P. Clappison	608 Weber St. N.	2.640	July 5/85	$100,320.00	$17,094.00	$83,226.00	
Schlueter Holdings	130 Lexington Crt.	2.730	Apr. 12/85	109,200.00	16,380.00	92,820.00	
Shantz Investments	141 Dearborn Pl.	0.877	June 28/85	33,326.00	5,678.57	27,647.43	
Millard Precision Machine & Tool	South Side Randall Dr.	0.240	Apr. 1/85	9,627.60	1,440.00	8,187.60	
CPA Systems	Northland Inc. Park	3.500	June 17/85	150,500.00	22,662.50	127,837.50	
H & O Centreless Grinding Inc.	45 Bathurst Dr.	3.700	May 15/85	152,028.00	22,200.00	129,828.00	
594240 Ontario Ltd.	Barta Place	8.500	May /85	246,382.00	51,000.00	195,382.00	
Newo Holdings Ltd.	50 Bathurst Dr.	4.000	Feb. 5/86	25,219.00		25,219.00	
Inducon Construction	50 Northland Rd.	8.730	May 1/85	366,437.50	52,380.00	314,057.50	
350843 Ontario Ltd.	Bathurst Dr.	1.250	Aug. 30/85	50,840.00	8,093.75	42,746.25	
Panora Holdings Ltd.	685 Rupert St.	1.250	Aug. 30/85	50,840.00	8,093.75	42,746.25	
Eldorado Tool	Bathurst Dr.	1.360	Dec. 15/85	55,760.00	8,806.00	46,954.00	
Kingsway Honda	King St. N.	1.737	June 30/85	69,479.50	11,247.07	58,232.43	
S. Clappison	115 Randall Dr.	2.380	Mar. 12/86	13,600.00		13,600.00	
Corman Custom Electronics Corp.	Bathurst Dr.	1.370	Mar. 14/86	8,425.00		8,425.00	
Del-Co Electric Ltd.	55 Rankin St.	0.620	Nov. 1/85	26,970.00	4,014.50	22,955.50	
Humac Holdings	65 Rankin St.	1.530	Feb. 20/86	9,983.00		9,983.00	
Eramosa Technology Corp.	52 Rankin St.	1.400	Feb. 20/86	9,135.00		9,135.00	
Garlin Design	75 Rankin St.	0.990	Apr. 23/86	6,460.00		6,460.00	
Melloul & Blamey	Rupert St.	1.070	Apr. 24/86	6,982.00		6,982.00	
MacDonald & Westbourne Electric	Bathurst Dr.	1.650	Feb. 26/86	10,766.00		10,766.00	
Olympia Cabinets	620 Weber St. N.	3.310	June 2/86	19,860.00		19,860.00	
McBride Loudspeakers	66 Rankin St.	1.250	May 30/86	8,156.00		8,156.00	
Electrozad	Northland Ind. Park	3.882	June 30/86	22,755.00		22,755.00	
		59.966		$1,563,051.60	$229,090.14	$1,333,961.46	
Land Rentals				2,350.00		2,350.00	
Total Receipts				$1,565,401.60	$229,090.14	$1,336,311.46	$1,336,311.46
EXPENDITURES							
Haney, White, Ostner - Legal Fees							23,690.87
Various Survey Fees							4,317.00
Realty Commissions							17,416.00
1985 Debt Charges							23,050.00
ODC Loan							164,438.00
Transformer Costs for Inducon Site							15,553.98
City Share of Escalation Costs for Inducon Site							10,353.00
1985 Service Costs Northland							1,093,689.84
1985 Service Costs Dearborn							20,594.87
1985 Service Costs Barta							45,297.60
Total Expenditures							1,418,401.16
Balance as at December 31, 1985							($119,272.91)

PARK LANDS RESERVE FUND
AS AT DECEMBER 31, 1985

Balance as at December 31, 1984		$40,138.34
Receipts		
K. Dumart, Lexington Rd.	$1,000.00	
K. Dumart, Forestlawn Rd.	1,000.00	
MacKay, Artindale, Lexington Rd.	3,000.00	
C. Totzke, Malabar Dr.	1,485.00	
Interest Earned	4,825.00	11,310.00
Balance as at December 31, 1985		$51,448.34

UNIT LEVY ACCOUNT
AS AT DECEMBER 31, 1985

Balance as at December 31, 1984		$1,112,375.46
Receipts		
Plan No.		
1405	J. Lowry, 589 Colby Dr.	$9,440.00
1428	First City Dev.	33,771.20
1516	Freure Homes, 458 Beechwood Pl.	2,640.00
1554/55	Mercantile Bank, Stage 2	34,000.00
1554/55	Village Gate, 290 & 292 Roxton Dr.	2,000.00
1554/55	Village Gate Developments, 298 Roxton Dr.	2,000.00
1554/55	Village Gate Developments, Roxton Dr.	1,000.00
1554/55	Village Gate, 306 Roxton Dr.	1,100.00
1554/55	Village Gate, 304 Rxoton	1,100.00
1554/55	Village Gate, 288 & 296 Roxton	2,200.00
1554/55	Village Gate, Lot 3	1,100.00
1554/55	Mercantile Bank, Trillium Estates. Ph 2B	64,900.00
1554/55	Village Gate, Lots 5 & 8	2,200.00
1566	Lincoln Village, Foxhunt Rd.,	33,000.00
1570	Norcon Properties	35,000.00
1573	Northlake Homes & T.D. Bank, Verbier	38,000.00
1574	Helmar Holdings	30,000.00
1575	E. McLaughlin, Bridge St.	10,000.00
1579	Atlin, Goldenberg	50,000.00
1583/84	Costain, Ph. 6	156,200.00
1587	Helmar Holdings, Lakeshore N. Ph. III	204,600.00
1590	605769 Ont., Bairstow	29,700.00
1591	R. Howald, Dansbury Subd.	78,100.00
1591	W. Gies, Dansbury Subd.	53,900.00
	M. H. Properties, Glasgow III, Stage 2 (a)(i)	45,100.00
	M. Hackenburg, 410 Hazel St.	640.00
	K. Dumart, Lexington Rd., Pt. 5 58R 4286	1,000.00
	K. Dumart, Forestlawn, Pt. 8 58R 4286	1,000.00
	J. Wagner, 384 Lexington Rd., Pt. 5 58R 4421	1,000.00
	J. Wagner, 384 Lexington Rd., Pt. 4 58R 4421	1,000.00
	E. McLaughlin, Bridge St., Pts. 3 & 4 58R 4390	2,000.00
	Freure Homes, 456 Beechwood Pl.	2,400.00
	V. Scholl, 381 Lexington Rd., Pt. 3 58R 4331	1,000.00
	C. Woolner, Lorindale, Pts. 6 & 4, 58R 3992	1,000.00
	G. McWhirter, 373 Lexington Rd. 58R 4349	1,000.00
	Country Squire Estates, Pts. 2, 3 & 5 58R 4075	1,000.00
	B. Compass, Forestlawn Rd., Pts. 2 & 23 58R 4603	2,000.00
	Thomasfield Homes, 541 Drummerhill	2,000.00
	Thomasfield Homes, 535 Drummerhill	1,000.00
	Freure Homes, 450 - 452 Beechwood	6,000.00

	Mackay Artindale, Lexington Rd., Pts 1, 2, 3 58R 4692	3,300.00	
	F. Hemrich, Woolwich & Lexington	1,100.00	
	K. Clarke, 429 Lexington, Pt. 2 & 3 58R 4340	2,200.00	
	R. Morrow, Drummerhill, Pts. 1 - 15 58R 4628	14,300.00	
	D. C. Dotzert, 376 Lexington, Pt. 3 58R 4239	1,100.00	
	G. Stahle, 418 Lexington Rd.	2,200.00	
	Hobson, Jenkins, 373 Forestlawn	1,100.00	
	V. Emrich, W. side of Lorindale	1,100.00	
	J. Messer, 375 Hillside, Pt. 4 58R 4725	1,100.00	
	R. Casselli, Forestlawn Rd., Pt. 6 58R 4331	1,100.00	
	Zevest Dev., 363 King St. N.	1,695.68	
	601786 Ont. Ltd., Bluevale St.	5,940.00	
	J. Messer, 368 Lexington Rd., Pt. 7 58R 4725	1,100.00	
	C. Totzke, GCT Pt Lot 66, Woolwich St. 58R 4745	1,100.00	
	B & C Murphy, Pts. 2, 3 & 4, 58R 4890, 393 Forestlawn Rd.	3,300.00	
	Country Squire Estates Ltd., 58R 4892	1,100.00	
	Industrial Land Sales	229,090.14	
	Interest Earned	135,792.00	1,352,809.02

Expenditures			
134169	Erb - Gateview to W.	23,695.34	
135597	City Northland Subd.	94,657.71	
135601	Norcon, Ph. I, R.P. 1570	6,864.54	
135615/138615	Costain, Ph. 5, R.P. 1568	115,795.02	
136593/137593, 138593	Beechwood W., R.P. 1554/55	7,434.46	
137222	Bearinger Rd. - Tollgate Blvd. to K-W Housing Entrance - East Side	228.75	
137228	54 Bridgeport Rd.	6,135.95	
137559	Costain Ltd. - E.R. 2598.6, R.P. 1473, 1476 & 1561	1,933.88	
138238	Centennial Park Rd.	11,087.36	
138553	Lincoln Village North, R.P.1453, 1514 & 1566,	540.95	
139153	Guide Rail, Clearing & Landscaping Columbia from Marsland Dr. to Dearborn Pl.	2,835.69	
139169	Easement 286 Erb W.	875.00	
139176	University Ave. East of Bridge St. Study	53,533.37	
139196	Black Walnut Holdings	10,000.00	
139208	Martin Creek Study	18,441.20	
139212	Sewer Flow Measurements	16,223.64	
139534	Colonial Acres N., R.P. 1539	5,611.64	
	Proctor Redfern	961.70	
	Storm Water Study - E.R. 2990.1, Kipfer Subd. R.P. 1579	206,114.77	582,970.97
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Balance as at December 31, 1985			$1,882,213.51
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IMPOST CHARGES ACCOUNT
AS AT DECEMBER 31, 1985

Balance as at December 31, 1984		$16,999.65
Receipts		
R. Howald Construction, 8 Amos Ave.	$3,600.00	
M. Hackenberg, 410 Hazel St.	640.00	
Rosedale Farms, 375-383 Albert St. (108 Units)	69,960.00	
Interest Earned	4,608.00	78,808.00
Expenditures		
133083 - Tamarack St.	11,197.33	11,197.33
Balance as at December 31, 1985		$84,610.32

CITY OF WATERLOO
COMMUNITY SERVICES CONCESSIONS
AS AT DECEMBER 31, 1985

	Albert McCormick	Waterloo Arena	Moses Springer	Rink-in the-Park	Park-Inn	Adult Recreation Centre	Seagram Stadium	Bechtel Park	Mobile Trailer	Inventory	Total
Sales Revenue	34,770.89	76,319.93	23,184.07	25,863.07	45,064.01	1,703.46	15,741.43	2,617.48	7,686.47		232,950.81
COST OF GOODS SOLD											
Beginning Inventory Jan. 1/85	1,142.28	1,470.80	999.46	951.70	78.05	73.50	107.02		56.30	10,498.30	15,377.41
Plus: Purchases & Transfers	16,256.21	31,346.24	9,892.40	12,883.73	18,580.55	922.01	6,222.31	894.10	3,614.21	(1,344.55)	99,267.21
Less: Ending Inventory	1,382.64	1,910.67	1,035.85	1,498.47	146.96	88.62	141.61		55.28	9,153.75	15,413.85
Total Cost of Goods Sold	16,015.85	30,906.37	9,856.01	12,336.96	18,511.64	906.89	6,187.72	894.10	3,615.23	(.00)	99,230.77
Gross Profit	18,755.04	45,413.56	13,328.06	13,526.11	26,552.37	796.57	9,553.71	1,723.38	4,071.24	.00	133,720.04
Gross Profit/Sales Percentage	53.9%	59.5%	57.5%	52.3%	58.9%	46.8%	60.7%	65.8%	53.0%		57.4%
SELLING EXPENSES											
Salaries & Fringe Benefits	7,235.13	12,787.91	4,702.94	8,059.30	11,838.10		3,152.37	885.93	1,294.75		49,956.43
Miscellaneous Expense	129.00	283.00	115.00	115.00	202.00		24.87				868.87
Maintenance Park-Inn & Portable					157.62				74.33		231.95
Total Expenses	7,364.13	13,070.91	4,817.94	8,174.30	12,197.72	0.00	3,177.24	885.93	1,369.08	0.00	51,057.25
Net Profit*	11,390.91	32,342.65	8,510.12	5,351.81	14,354.65	796.57	6,376.47	837.45	2,702.16	.00	82,662.79
Net Profit/Sales Percentage	32.8%	42.4%	36.7%	20.7%	31.9%	46.8%	40.5%	32.0%	35.2%		35.5%

* $15,000. of Net Profit transferred to Concession Equipment Reserve.

I N D E X

Six Year Financial Review

Auditors' Report

Financial Statements -
- Consolidated Statement of Operations
- Consolidated Balance Sheet
- Notes to Financial Statements
- Analysis of Current Operations — Schedule 1
- Analysis of Capital Operations — Schedule 2
- Analysis of Reserves and Reserve Funds — Schedule 3

Auditors' Report
Trust Funds
Notes to Financial Statements

Accountants' Report

Financial Information Return -
- Analysis of Revenue Fund Revenues — 1
- Analysis of Taxation — 2LT
- Analysis of Current Revenue for Specific Functions — 3
- Analysis of Revenue Fund Expenditures — 4
- Analysis of Capital Operations — 5
- Analysis of Capital Grants and Own Expenditures — 6
- Analysis of Net Long Term Liabilities by Function — 7
- Analysis of Long Term Liabilities and Commitments — 8
- Continuity of Upper Tier and School Board Levies — 9LT
- Continuity of Reserves and Reserve Funds — 10
- Analysis of Consolidated Year End Balances — 11
- Unaudited Statistical Data — 12

Auditors' Report
Grant Information — 13

Boards, Commissions and Enterprises -
- Waterworks Enterprise
- The Waterloo Public Library Board
- The Uptown Waterloo Business Improvement Area Board of Management

CITY OF WATERLOO

SIX YEAR FINANCIAL REVIEW

(All dollar amounts are in thousands of dollars, execpt per capita figures.)

		1985	1984	1983	1982	1981	1980
1.	Population at the end of the year	63,265	60,591	58,734	57,412	54,831	54,157
2.	Area in acres at the end of the year	16,500	16,500	16,500	16,500	16,500	16,500
3.	Employees - continuous full time	280	256	252	253	237	243
	- part time	29	27	25	24	22	20
4.	Number of households	21,441	20,614	19,878	19,324	18,404	18,167
5.	Assessment:						
	Taxable assessment upon which the year's rates of taxation were set;						
	Residential and farm	$112,581	$107,973	$105,001	$103,421	$96,424	$93,015
	Commercial and industrial	44,255	43,194	42,153	40,649	39,826	38,582
	Business	22,968	22,531	22,139	21,515	22,298	21,626
		$179,804	$173,698	$169,293	$165,585	$158,548	$153,223
	Per capita	$2,842	$2,867	$2,882	$2,884	$2,892	$2,829
	Commercial and Industrial and Business as a percentage of taxable assessment	37%	38%	37%	38%	39%	39%
	Exempt assessment	$48,057	$46,180	$45,715	$45,401	$43,128	$43,788
	Provincial equalization factor	11	10	11	11	13	26
6.	Rates of taxation:						
	Residential and farm mill rate for:						
	General Municipal purposes	48	45	42	40	35	31
	Regional purposes	38	36	34	31	26	26
	School Board purposes	112	106	98	91	82	74
		198	187	174	162	143	131
	Commercial and Industrial mill rate for:						
	General Municipal purposes	56	53	50	47	41	37
	Regional purposes	45	43	40	37	31	30
	School Board purposes	131	125	115	107	96	87
		232	221	205	191	168	154
7.	Revenue for general municipal services:						
	Taxation	$11,270	$10,319	$9,453	$8,946	$7,438	$6,486
	Payments-in-lieu of taxes	909	812	788	756	639	595
	Ontario grants	2,115	1,906	1,894	1,841	1,422	1,287
	Other grants	501	344	311	350	252	208
	Fees and service charges	280	118	97	80	77	148
	Other	4,775	3,949	3,301	3,452	3,524	2,671
		19,850	17,448	15,844	15,425	13,352	11,395
8.	Tax arrears - per capita	16	15	14	23	13	12
	- percentage of current levy	2%	2%	3%	4%	3%	3%
9.	Expenditure - general municipal	$19,538	$17,233	$16,347	$15,247	$13,564	$11,270
10.	Transfers to the Region	$11,205	$10,072	$9,164	$8,179	$7,075	$6,306
11.	Transfers to the School Boards	$22,627	$20,736	$18,466	$17,025	$14,808	$12,953
12	Net long term liabilities:						
	General municipal activities	$4,350	$3,769	$3,862	$3,121	$3,305	$3,656
	- per capita	$69	$62	$65	$54	$60	$68
	- percentage of taxable assessment	2.4%	2.2%	2.2%	1.9%	2.1%	2.4%
	Municipal enterprises	$3,059	$1,194	$1,318	$1,434	$1,541	$1,541
13.	Charges for net long term liabilities:						
	General municipal activities	$1,218	$998	$969	$844	$870	$832
	- per capita	$19	$16	$16	$15	$16	$15
	- as a mill rate	7	6	6	5	5	5
14.	Capital financing during the year						
	Contributions from own funds	$6,565	$4,856	$4,358	$3,470	$4,560	$4,550
	Long term liabilities incurred	1,259	519	1,261	314	151	954
	Ontario grants	498	526	526	367	402	218
	Other	1,345	1,435	407	384	270	745
		$9,667	$7,336	$6,552	$4,535	$5,383	$6,467
15.	Capital expenditure during the year	$9,449	$7,587	$6,531	$4,148	$6,120	$5,936
16.	Accumulated net revenue at the end of the year	$2,189	$1,877	$1,662	$2,165	$1,987	$2,326
17.	Reserves and reserve funds	$8,130	$5,442	$3,584	$3,622	$3,180	$2,820

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Clarkson Gordon

Chartered Accountants
P.O. Box 458
305 King Street West
Kitchener, Canada N2G 4A2
Telephone (519) 744-1171
(519) 653-3290 (Cambridge)

AUDITORS' REPORT

To the Members of Council, Inhabitants
and Ratepayers of The Corporation of
the City of Waterloo:

We have examined the consolidated balance sheet of the Corporation of the City of Waterloo as at December 31, 1985 and the consolidated statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation of the City of Waterloo as at December 31, 1985 and the results of its operations for the year then ended in accordance with the accounting principles prescribed for Ontario Municipalities applied on a basis consistent with that of the preceding year.

Clarkson Gordon

Waterloo, Canada,
April 23, 1986.

Chartered Accountants,
Licence Number 1217.

CITY OF WATERLOO
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 1985

	Revenue Fund		Capital Fund	Reserve Funds	Reserves	1985 Total	1984 Total
	Budget $	Actual $	Actual $	Actual $	Actual $	Actual $	Actual $
Sources of financing							
Taxation and user charges							
Residential and farm taxation	22,823,418	23,090,917				23,090,917	21,039,788
Commercial, industrial and business taxation	16,911,773	17,233,814				17,233,814	15,943,631
Taxation from other governments	1,397,029	1,611,020				1,611,020	1,436,510
User charges	4,712,875	5,711,878				5,711,878	4,702,644
Deduct: Amounts received or receivable for Region and school boards	(33,212,785)	(33,831,325)				(33,831,325)	(30,811,954)
Grants							
Government of Canada		7,642				7,642	3,146
Province of Ontario	1,921,999	2,114,986	498,447			2,613,433	2,432,420
Other municipalities	392,383	493,700				493,700	340,676
Other							
Contributions from developers	353,400	604,821		6,853,055		7,457,876	4,827,655
Investment income	699,500	1,230,335		319,474		1,549,809	1,392,752
Equipment usage contribution	267,200	674,121				674,121	590,291
Other	543,544	685,780	1,344,722	39,776		2,070,278	2,115,651
	16,810,336	19,627,689	1,843,169	7,212,305		28,683,163	24,013,430
Proceeds from the issue of long term liabilities			1,259,324			1,259,324	518,576
Expenditures							
General government	1,755,443	1,825,432	339,070			2,164,502	1,505,668
Protection to persons and property	3,441,117	3,488,698	77,119			3,565,817	3,289,221
Transportation services	5,027,800	5,342,546	3,111,262			8,453,808	7,620,983
Environmental services	1,889,114	1,848,377	3,613,469			5,461,846	4,559,295
Health services	189,289	204,386				204,386	196,089
Recreation and cultural services	3,594,106	3,673,908	184,286			3,858,194	3,997,944
Planning and development	663,313	683,006	2,123,759			2,806,765	1,269,397
Other				60,891		60,891	70,506
	16,560,182	17,066,353	9,448,965	60,891		26,576,209	22,709,093
Excess of financing over (under) expenditures	250,154	2,561,336	(6,346,472)	7,151,414		3,366,278	1,822,913
Appropriations							
Net appropriations between funds	(1,341,652)	(2,249,923)	6,564,351	(4,192,890)	(121,538)		
Fund balances at the beginning of the year	1,877,400	1,877,400	(332,645)	3,521,186	1,771,963	6,837,904	5,163,811
Fund balances at the end of the year	785,902	2,188,813	(114,766)	6,479,710	1,650,425	10,204,182	6,986,724

(See accompanying notes to the financial statements)

CITY OF WATERLOO
CONSOLIDATED BALANCE SHEET
As at December 31, 1985

ASSETS	1985 $	1984 $
Unrestricted		
Cash	3,889,920	2,368,639
Taxes receivable	1,082,646	948,790
Accounts receivable	1,803,099	1,948,713
Inventory (cost)	223,481	204,384
Long term investments	20,000	20,000
Investment in own debentures	157,000	185,000
	7,176,146	5,675,526
Restricted		
Cash	5,399,885	2,596,092
Accounts receivable	103,988	7,368
Long term investments	297,837	522,546
Investment in own debentures	678,000	544,000
	6,479,710	3,670,006
Capital outlay financed by long term liabilities and to be recovered in future years	7,409,129	4,962,997
	21,064,985	14,308,529
LIABILITIES		
Accounts payable and accrued liabilities	3,451,674	2,358,808
Net long term liabilities (note 7)	7,409,129	4,962,997
FUND BALANCES AT THE END OF THE YEAR (note 8)		
Accumulated net revenue at the end of the year	2,188,813	1,877,400
Capital operations not yet permanently financed	(114,766)	(332,645)
Reserves (note 9)	1,650,425	1,771,963
Reserve funds (note 9)	6,479,710	3,670,006
	10,204,182	6,986,724
	21,064,985	14,308,529

(See accompanying notes to the financial statements)

CITY OF WATERLOO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1985

1. Accounting Policies

(a) Basis of Consolidation

(i) Consolidated Balance Sheet

This statement reflects the assets and liabilities of the revenue fund, reserves, reserve funds, the capital fund and includes the activities of all committees of Council and the following local boards and municipal enterprises which are under the control of Council:

The Waterloo Public Library Board
The Uptown Waterloo Business Improvement Area Board of Management
The Corporation of the City of Waterloo Waterworks Enterprise

(ii) Consolidated Statement of Operations

This statement reflects the consolidated sources of financing and expenditures of the revenue fund, reserves, reserve funds and the capital fund of the Municipality and those local boards and municipal enterprises described in note 1(a)(i).

(iii) Non-consolidated Entities

All local boards, municipal enterprises, and utilities of the municipality, except the Hydro Electic Commission of Waterloo, Wellesley and Woolwich are consolidated. The "Consolidated Balance Sheet" does not reflect its assets or liabilities except to the extent of amounts due to and from this entity. The "Consolidated Statement of Operations" does not reflect its revenues and expenditures.

(iv) Accounting for Region and School Board Transactions

The taxation and other revenues with respect to the operations of the school boards, and the Regional Municipality of Waterloo are reflected in the "Consolidated Statement of Operations" but with no effect on the municipal fund balances since the total is shown as a deduction.

In addition the expenditures, assets and liabilities with respect to the operations of the school boards, and the Regional Municipality of Waterloo are not reflected in these financial statements except to the extent that overlevies (underlevies) are reported on the "Consolidated Balance Sheet".

(v) Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately on the "Trust Funds Statement of Continuity and Balance Sheet".

(b) Basis of Accounting

(i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long term liabilities which are charged against operations in the periods in which they are paid. The principal and interest charges are not accrued for the periods from the dates of the latest instalment payments to the end of the financial year.

(ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) Fixed Assets

The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure on the "Consolidated Statement of Operations" in the year of acquisition. For those fixed assets financed or to be financed by the issue of long term indebtedness, the principal and interest on the long term indebtedness are also reported on the "Consolidated Statement of Operations" as they are paid.

(iv) Capital Outlay to be Recovered in Future Years

"Capital outlay to recovered in future years", which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the "Consolidated Balance Sheet".

2. Operations of School Boards and the Regional Municipality of Waterloo

The taxation, other revenues, expenditures and overlevies (underlevies) of the school boards and the Regional Municipality of Waterloo are comprised of the following:

	School Boards	Region
Taxation and user charges	$22,626,783	$11,204,542
Requisitions	22,626,783	11,204,542
Overlevies (underlevies) for the year	NIL	NIL
Overlevies (underlevies) at the beginning of the year	NIL	NIL
Overlevies (underlevies) at the end of the year	$ NIL	$ NIL

3. Trust Funds

Trust funds administered by the Municipality amounting to $632,972 (1984 - $448,454) have not been included in the "Consolidated Balance Sheet" nor have their operations been included in the "Consolidated Statement of Operations".

4. Investments

The total of investments of $1,152,837 (1984 - $1,271,546) recorded on the "Consolidated Balance Sheet" at cost, have a market value of $1,180,459 (1984 - $1,275,796) as at the end of the year.

5. Liability for Past Service Provision of Pension Agreements

Under the past service provision of pension agreements, the Municipality is obligated at December 31, 1985 for an amount of approximately $533,751 (1984 - $589,140) based on the latest actuarial estimates at December 31, 1982. No provision has been made for this liability in the accompanying financial statements. The liability will be funded by seven annual payments of $102,520.

6. Liability for Vested Sick Leave Benefits

Under the sick leave benefit plan, unused sick leave can accumulate and certain employees may become entitled to a cash payment when they leave the Municipality's employment. This entitlement does not apply to employees hired after June 1, 1985, with the exception of members of the Waterloo Firefighters Association.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on terminating, amounted to $1,890,350 (1984 - $1,783,449) at the end of the year. An amount of $668,062 (1984 - $644,411) has been provided in a reserve fund for this past service liability and is reported on the "Consolidated Balance Sheet" as part of the reserve funds.

7. Net Long Term liabilities

(a) The balance of "Net long term liabilities" reported on the "Consolidated Balance Sheet" is made up of the following:

	1985	1984
Total long term liabilities incurred by the Municipality including those incurred on behalf of school boards, other municipalities and municipal enterprises and outstanding at the end of the year amount to	$1,728,777	$2,359,953
In addition, the Municipality has assumed responsibility for the payment of principal and interest charges on certain long term liabilities issued by the Regional Municipality of Waterloo. At the end of the year, the outstanding principal amount of this liability is	6,573,105	3,873,397
Of the long term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by others for a principal amount of	(892,753)	(1,270,353)
	$7,409,129	$4,962,997

(b) Of the net long term liabilities in (a) of this note, $3,318,639 in principal payments are payable from 1986 to 1990, $2,508,490 from 1991 to 1995, and $1,582,000 thereafter and are summarized as follows:

	1986 to 1990	1991 to 1995	1996 and thereafter
From general municipal revenues and benefitting landowners	$2,457,639	$1,644,490	$ 248,000
From consolidated municipal enterprises	51,000		
From unconsolidated municipal enterprises	810,000	864,000	1,334,000
	$3,318,639	$2,508,490	$1,582,000

(c) Included in "Net long term liabilities" on the "Consolidated Balance Sheet" is an amount of $311,000 (1984 - $365,000) payable in U.S. dollars which was converted into Canadian dollars on the basis of $1 Canadian being equal to $1 U.S. If the liability is converted into Canadian dollars at the exchange rate prevailing at December 31, 1985, the liability would be increased by $123,871 (1984 - $117,421). A reserve fund has been established in the amount of $236,735 which is intended to provide for exchange fluctuations.

(d) Approval of the Ontario Municipal Board has been obtained for the long term liabilities reported on the "Consolidated Balance Sheet".

8. Fund balances at the end of the year

The fund balances on the "Consolidated Statement of Operations" of $10,204,182 (1984 - $6,986,724) at the end of the year are comprised of the following:

	1985	1984
For general reduction of taxation	$ 1,088,987	$1,098,299
For general reduction of user charges	1,099,826	779,101
Acquisition of fixed assets to be financed from the proceeds of long term liabilities	(114,766)	(332,645)
Reserves and Reserve Funds	8,130,135	5,441,969
	$10,204,182	$6,986,724

9. Reserves and Reserve Funds

The total balance of reserves and reserve funds of $8,130,135 (1984 - $5,441,969) is made up of the following:

	1985	1984
Reserves set aside for specific purpose by Council		
. For acquisition of fixed assets	$1,448,304	$1,047,697
. For winter control	202,121	100,000
. For working capital		624,266
	1,650,425	1,771,963
Reserve funds set aside for specific purpose by Council		
. For acquisition of fixed assets	255,218	213,549
. For sick leave	668,062	644,411
. For lot levies and subdivider contributions	3,950,712	1,957,678
. For exchange rate stabilization	236,735	227,661
. For housing incentive	22,445	22,445
. For other capital expenditures	1,218,369	374,312
	6,351,541	3,440,056

	1985	1984
Reserve funds set aside for specific purposes by legislation, regulation or agreement		
. For park purposes	51,448	40,138
. For loans under the Ontario Home Renewal Plan		148,820
. For local improvements	76,721	40,992
	128,169	229,950
Total	$8,130,135	$5,441,969

Effective January 1st, 1985, amendments to regulations require that the Ontario Home Renewal Program funds be accounted for as a trust fund and no longer as a reserve fund. This transfer of the fund balance has reduced the total opening reserve fund balances by $148,820, and is not reflected in the "Consolidated Statement of Operations". The 1985 transactions for this Program are reflected in the financial statements for the trust funds of the municipality.

10. Charges for Net Long Term Liabilities

Total charges for the year for net long term liabilities which are reported on the "Consolidated Statement of Operations" are as follows:

	1985	1984
Principal payments	$ 710,489	$ 589,001
Interest	530,694	431,540
	$1,241,183	$1,020,541

The charges for long term liabilities assumed by the non-consolidated entities are not reflected in these statements.

11. Nonaccrual of Interest on Long Term Liabilities

No provision has been made in these financial statements for the accrual of interest on the net long term liabilities. Had this provision been made the fund balances as at December 31, 1985 would have been decreased by $59,058 (1984 - $76,029).

12. Lease commitment

The lease commitment for City Hall office premises which expires in 1986, is determined on a net basis and amounts to $172,600 per annum. The lease may be cancelled at any time without penalty.

The Municipality has entered into an agreement to lease new City Hall office premises commencing in 1987. The details of the lease have not been finalized.

Schedule 1

CITY OF WATERLOO
ANALYSIS OF CURRENT OPERATIONS
For the year ended December 31, 1985

	1984 Actual $	1985 Actual $	1985 Budget $	Budget Comparison Over(under) $
Revenue				
Taxation and user charges				
Residential and farm taxation	21,039,788	23,090,917	22,823,418	267,499
Commercial, industrial and business taxation	15,943,651	17,233,814	16,911,773	322,041
Taxation from other governments	1,436,510	1,611,020	1,397,029	213,991
User charges	4,702,644	5,711,878	4,712,875	999,003
Deduct:				
Amount received or receivable on behalf of the Region and school boards	(30,811,954)	(33,831,325)	(33,212,785)	(618,540)
Grants				
Government of Canada	3,146	7,642		7,642
Province of Ontario	1,905,745	2,114,986	1,921,999	192,987
Other municipalities	340,676	493,700	392,383	101,317
Other				
Contribution from developers	507,308	604,821	353,400	251,421
Investment income	1,120,032	1,230,335	699,500	530,835
Equipment usage contribution	590,291	674,121	267,200	406,921
Sale of land	(717)	51,456		51,456
Other	631,990	634,324	543,544	90,780
Net municipal revenue	17,409,110	19,627,689	16,810,336	2,817,353
Expenditures				
General government	1,504,849	1,825,432	1,755,443	69,989
Protection to persons and property	3,254,752	3,488,698	3,441,117	47,581
Transportation services	4,503,335	5,342,546	5,027,800	314,746
Environmental services	1,713,426	1,848,377	1,889,114	(40,737)
Health services	196,089	204,386	189,289	15,097
Recreation and cultural services	3,379,735	3,673,908	3,594,106	79,802
Planning and development	499,820	683,006	663,313	19,693
	15,052,006	17,066,353	16,560,182	506,171
Net appropriations (to) from other funds				
. reserves	(1,214,557)	(551,975)	(207,200)	(344,775)
. reserve funds	(227,184)	(1,045,929)	(430,000)	(615,929)
. capital operations	(700,023)	(652,019)	(704,452)	52,433
	(2,141,764)	(2,249,923)	(1,341,652)	(908,271)
Surplus (deficit) for the year	215,340	311,413	(1,091,498)	1,402,911
Surplus at the beginning of the year	1,662,060	1,877,400	1,877,400	
Surplus at the end of the year	1,877,400	2,188,813	785,902	1,402,911

Schedule 2

CITY OF WATERLOO
ANALYSIS OF CAPITAL OPERATIONS
For the year ended December 31, 1985

	1985 Actual $	1984 Actual $
Source of Funds		
Long term liabilities incurred	1,259,324	518,576
Ontario grants	498,447	526,675
Other	1,344,722	1,434,833
Appropriations from other funds		
. current operations	652,019	700,023
. reserves	673,513	332,448
. reserve funds	5,238,819	3,823,436
	9,666,844	7,335,991
Expenditures		
General government	339,070	819
Protection to persons and property	77,119	34,459
Transportation services	3,111,262	3,317,648
Environmental services	3,613,469	2,845,869
Recreation and cultural services	184,286	618,209
Planning and development	2,123,759	769,577
	9,448,965	7,586,581
Capital operations not yet financed at the beginning of the year	332,645	82,055
Capital operations not yet financed at the end of the year	114,766	332,645

Schedule 3

CITY OF WATERLOO
ANALYSIS OF RESERVES AND RESERVE FUNDS
For the year ended December 31, 1985

	Total $	Works Equipment $	Waterworks Equipment $	Community Service Equipment $
RESERVES				
Balance at the beginning of the year	1,771,963	646,843	150,107	211,367
Appropriations from (to) current operations	551,975	456,014	43,137	159,969
Appropriations to capital operations	(673,513)	(127,074)	(10,556)	(117,300)
Transfer between reserves				
Balance at the end of the year	1,650,425	975,783	182,688	254,036
RESERVE FUNDS				
Balance at the beginning of the year	3,521,186			
Revenue				
Contributions from developers	6,853,055			
Interest earned	319,474			
Appropriations from current operations	1,045,929			
Other	39,776			
	8,258,234			
Expenditures				
Contributions to capital operations	5,238,819			
Other	60,891			
	5,299,710			
Balance at the end of the year	6,479,710			

Schedule 3

CITY OF WATERLOO
ANALYSIS OF RESERVES AND RESERVE FUNDS
For the year ended December 31, 1985

	Concession Equipment $	Winter Control $	Working Fund $	Adult Recreation Building Fund $
RESERVES				
Balance at the beginning of the year	39,380	100,000	624,266	
Appropriations from (to) current operations	15,000	(62,145)	(60,000)	
Appropriations to capital operations	(18,583)		(400,000)	
Transfer between reserves		164,266	(164,266)	
Balance at the end of the year	35,797	202,121	Nil	
RESERVE FUNDS				
Balance at the beginning of the year				50,358
Revenue				
Contributions from developers				
Interest earned				4,912
Appropriations from current operations				
Other				2,688
				7,600
Expenditures				
Contributions to current operations				
Contributions to capital operations				
Other				
Balance at the end of the year				57,958

Schedule 3

CITY OF WATERLOO
ANALYSIS OF RESERVES AND RESERVE FUNDS
For the year ended December 31, 1985

	Adult Recreation Memorial Fund $	Developer Deposits $	Fire Equipment $	Fire Expansion $
RESERVES				
Balance at the beginning of the year				
Appropriations from current operations				
Appropriations to capital operations				
Transfer between reserves				
Balance at the end of the year				
RESERVE FUNDS				
Balance at the beginning of the year	610	828,303	213,549	34,556
Revenue				
Contributions from developers		5,555,353		
Interest earned	73	4,674	18,989	6,513
Appropriations from current operations			100,000	68,000
Other	309			
	382	5,560,027	118,989	74,513
Expenditures				
Contributions to capital operations		4,404,442	77,320	
Other				
		4,404,442	77,320	
Balance at the end of the year	992	1,983,888	255,218	109,069

Schedule 3

CITY OF WATERLOO
ANALYSIS OF RESERVES AND RESERVE FUNDS
For the year ended December 31, 1985

	Impost Charges $	Local Improvements $	Municipal Buildings and Facilities $	Municipal Housing Incentives $
RESERVES				
Balance at the beginning of the year				
Appropriations from current operations				
Appropriations to capital operations				
Transfer between reserves				
Balance at the end of the year				
RESERVE FUNDS				
Balance at the beginning of the year	17,000	40,992	288,788	22,445
Revenue				
Contributions from developers	74,200			
Interest earned	4,608	4,733	40,739	
Appropriations from current operations			877,929	
Other		30,996	5,783	
	78,808	35,729	924,451	
Expenditures				
Contributions to capital operations	11,197		162,889	
Other				
	11,197		162,889	
Balance at the end of the year	84,611	76,721	1,050,350	22,445

Schedule 3

CITY OF WATERLOO
ANALYSIS OF RESERVES AND RESERVE FUNDS
For the year ended December 31, 1985

	Public Lands $	Sick Leave $	Unit Levy $	U.S. Debentures $
RESERVES				
Balance at the beginning of the year				
Appropriations from current operations				
Appropriations to capital operations				
Transfer between reserves				
Balance at the end of the year				
RESERVE FUNDS				
Balance at the beginning of the year	40,138	644,411	1,112,375	227,661
Revenue				
Contributions from developers	6,485		1,217,017	
Interest earned	4,825	69,149	135,792	24,467
Appropriations from current operations				
Other				
	11,310	69,149	1,352,809	24,467
Expenditures				
Contributions to current operations				
Contributions to capital operations			582,971	
Other		45,498		15,393
		45,498	582,971	15,393
Balance at the end of the year	51,448	668,062	1,882,213	236,735

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Clarkson Gordon

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AUDITORS' REPORT

To the Members of Council, Inhabitants
and Ratepayers of The Corporation of
the City of Waterloo:

We have examined the balance sheet of the trust funds of the Corporation of the City of Waterloo as at December 31, 1985 and the statement of continuity of trust funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the trust funds for the Corporation of the City of Waterloo as at December 31, 1985 and the continuity of trust funds for the year then ended in accordance with accounting principles prescribed for Ontario Municipalities applied on a basis consistent with that of the preceding year.

Clarkson Gordon

Waterloo, Canada,
April 23, 1986.

Chartered Accountants,
Licence Number 1217.

CITY OF WATERLOO
TRUST FUNDS

STATEMENT OF CONTINUITY
For the year ended December 31, 1985

	Total $	Mount Hope Cemetery $	Parkview Cemetery $	Prepaid Grave Openings $	Prepaid Cremations $	Ontario Home Renewal Program $
Balance at the beginning of the year	448,454	116,235	266,089	36,440	29,690	148,820
Capital receipts						
Sale of plots	34,174		34,174			
Prepaid sales	13,535			7,910	5,625	
Interest earned	59,464	12,929	31,498	4,493	3,615	6,929
	255,993	12,929	65,672	12,403	9,240	6,929
Expenditures						
Transfer to revenue fund	52,535	12,929	31,498	4,493	3,615	
Loans forgiven	18,940					18,940
	71,475	12,929	31,498	4,493	3,615	18,940
Balance at the end of the year	632,972	116,235	300,263	44,350	35,315	136,809

BALANCE SHEET
As at December 31, 1985

Assets						
Cash	16,073					16,073
Accounts receivable	120,736					120,736
Investments (note 2)	496,163	116,235	300,263	44,350	35,315	
	632,972	116,235	300,263	44,350	35,315	136,809
Balance - capital	632,972	116,235	300,263	44,350	35,315	136,809

(See accompanying notes to the financial statements)

CITY OF WATERLOO

TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1985

1. Accounting policy

The Municipality follows the accrual method of accounting for revenue and expenditures.

2. Investments

The investment of $496,163 (1984 - $448,454) recorded on the Balance Sheet at cost, have a market value of $502,903 (1984 - $454,149) as at the end of the year.

3. Ontario Home Renewal Program

Effective January 1, 1985, amendments to regulations require that the Ontario Home Renewal Program funds be accounted for as a trust fund and no longer as a reserve fund. This transfer of the fund balance has increased the total opening trust fund balance by $148,820.

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Clarkson Gordon

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305 King Street West
Kitchener, Canada N2G 4A2
Telephone (519) 744-1171
(519) 653-3290 (Cambridge)

ACCOUNTANTS' REPORT

To the Ministry of Municipal Affairs:

Our examination of the financial statements of The Corporation of the City of Waterloo for the year ended December 31, 1985 was made for the purpose of forming an opinion on the financial statements referred to in our auditors' report to the Members of Council, Inhabitants and Ratepayers dated April 23, 1986.

At your request, we have performed the following procedures in connection with schedules 1 to 11 of the Financial Information Return of The Corporation of the City of Waterloo for the year ended December 31, 1985.

(a) we have compared the amounts disclosed on these schedules to the books and records of the City and found them to be in agreement;

(b) we have added and cross-added all schedules; and

(c) we have cross-referenced the information on the schedules where applicable.

The above noted schedules have not been subjected to the auditing procedures applied in the examination of the financial statements and accordingly we do not express an opinion on the fair presentation of this information.

Clarkson Gordon

Waterloo, Canada,
April 23, 1986.

Chartered Accountants,
Licence number 1217.

1985 FINANCIAL INFORMATION RETURN

MUNICIPALITY: CITY of WATERLOO

in the Region, ~~County of Waterloo~~ of: WATERLOO

DECLARATION OF THE MUNICIPAL TREASURER

Pursuant to the determination of grants under the Ontario Unconditional Grants Act, and to the information required by the Province under the Municipal Affairs Act, the following schedules are attached:

		Attached
1	Analysis of Revenue Fund Revenues	X
2LT	Analysis of Taxation	X
2UT	Analysis of Upper Tier Requisitions and Direct Charges	—
2MA	Analysis of Taxation in Merged Areas	—
3	Analysis of Current Revenue for Specific Functions	X
4	Analysis of Revenue Fund Expenditures	X
5	Analysis of Capital Operations	X
6	Analysis of Capital Grants and Own Expenditures	X
7	Analysis of Net Long Term Liabilities By Function	X
8	Analysis of Long Term Liabilities and Commitments	X
9LT	Continuity of Upper Tier and School Board Levies	X
10	Continuity of Reserves and Reserve Funds	X
11	Analysis of Consolidated Year End Balances	X
12	Statistical Data	X
13	Grant Information	X
14	Grant Information	—

The schedules have been drawn up in accordance with the instructions provided by the Ministry of Municipal Affairs. They represent the consolidated financial activities of the municipality, all local boards, including joint boards where applicable and any other local corporate entities set up by the municipality to provide services to ratepayers. The consolidated local boards and entities are:

- The Waterloo Public Library Board
- The Uptown Waterloo Business Improvement Area Board of Management
- The Corporation of the City of Waterloo Waterworks Enterprise

Trust funds administered by the municipality and its local boards, harbour commissions, humane societies, municipal non-profit housing corporations, provincial-municipal housing authorities, sinking funds, retirement or pension plan funds, school boards, conservation authorities, children's aid societies, district health councils, municipal hospitals and gas, telephone and hydro utilities are not consolidated.

The schedules have been prepared by CITY OF WATERLOO
(Auditor's firm or name of Municipality)

Questions regarding the information contained in them should be addressed to G.M. LUCIANTONIO, C.A.

20 Erb St. W., Box 337, Waterloo, Ontario N2J 4A8 at (519) 886-1550
(Area code and telephone)

Date May 8 1986 I. Hoskin
Municipal Treasurer

ANALYSIS OF REVENUE FUND REVENUES

THE CITY OF WATERLOO

1

for the year ended December 31, 1985

		total revenue	upper tier purposes	school board purposes	own purposes
		Note: Upper tiers use column 4 only			
		1 $	2 $	3 $	4 $
Taxation					
Taxation from schedule 2LT (or requisitions from schedule 2UT)	1	40,324,731	7,681,286	22,527,539	10,115,906
Direct water billings on ratepayers — own municipality	2	2,195,234	1,069,822		1,125,412
— other municipalities	3				
Sewer surcharge on direct water billings — own municipality	4	1,879,709	1,850,961		28,748
— other municipalities	5				
Subtotal	6	44,399,674	10,602,069	22,527,539	11,270,066
Payments in lieu of taxes					
Canada	7	23,459	4,523		18,936
Canada enterprises	8				
Ontario					
The Municipal Tax Assistance Act	9				
The Municipal Act, section 160	10	1,214,150	541,147		673,003
Other	11				
Ontario enterprises					
Ontario Housing Corporation	12	175,349	33,808	99,244	42,297
Ontario Hydro	13				
Liquor Control Board of Ontario	14	6,641	2,950		3,691
Other	15	40,594	18,033		22,561
Municipal enterprises	16	92,217	2,012		90,205
Other municipalities and enterprises	17	58,610			58,610
Subtotal	18	1,611,02[illegible]	602,473	99,244	909,303
Ontario unconditional grants					
Per household general	19				
Per household police	20				
Per household density	21				
Transitional and special assistance	22				
Resource equalization	23				
General support	24	681,974			681,974
Northern special support	25				
Apportionment guarantee	26				
Revenue guarantee	27				
Subtotal	28	681,974			681,974
Revenues for specific functions					
Ontario specific grants	29	1,433,012			1,433,012
Canada specific grants	30	7,642			7,642
Other municipalities—grants and fees	31	493,700			493,700
Fees, service charges and donations	32	279,621			279,621
Subtotal	33	2,213,975			2,213,975
Other revenue					
Trailer revenue and licences	34				
Licences and permits	35	749,925			749,925
Fines	37	74,294			74,294
Penalties and interest on taxes	38	155,461			155,461
Investment income—from own funds	39	125,932			125,932
—other	40	1,104,403			1,104,403
Lot levies and subdivider contributions	41	604,821			604,821
Sale of publications, equipment, etc.	42				
Contributions from capital fund	43	23,050			23,050
Contributions from reserves and reserve funds	44	222,145			222,145
Contributions from non consolidated entities	45				
Equipment usage contribution	46	659,121			659,121
Recreation & Community Services	47	621,489			621,489
Other	48	382,417			382,417
Sale of land	49	51,456			51,456
Subtotal	50	4,774,514			4,774,514
Total revenue	51	53,681,157	11,204,542	22,626,783	19,849,832

ANALYSIS OF TAXATION

for the year ended December 31, 1985

Municipality: CITY OF WATERLOO

2LT

		LOCAL TAXABLE ASSESSMENT			MILL RATES		TAXES LEVIED			SUPPLEMENTARY TAXES			TOTAL TAXES
	for computer use only	residential and farm	commercial and industrial	business	residential and farm	commercial industrial and business	residential and farm	commercial and industrial	business	residential and farm	commercial and industrial	business	total columns 6 to 11
		1 $	2 $	3 $	4	5	6 $	7 $	8 $	9 $	10 $	11 $	12 $
I. Own purposes													
(a) Levied by mill rate													
General	0 1 0 1 0	112,580,647	44,254,947	22,968,600	47.586	55.983	5,357,326	2,477,525	1,285,851	117,325	51,821	84,161	9,374,009
police villages at reduced rates	0 1 0 2												
farms at reduced rates	0 1 0 3												
	0 1												
	0 1												
	0 1												
Special area rates and police villages													
	0 1												
	0 1												
	0 1												
	0 1												
	0 1												
	0 1												
Subtotal levied by mill rate						1	5,357,326	2,477,525	1,285,851	117,325	51,821	84,161	9,374,009
(b) Other charges on tax bills — Share of telephone and telegraph taxation	0 1 2 1 0					2		214,253					214,253
Local improvements	0 1 2 2 0						194,972	20,788					215,760
Sewer and water service charges	0 1 2 3 0												
Sewer and water connection charges	0 1 2 4 0												
Fire service charges	0 1 2 5 0												
Minimum tax (differential only)	0 1 2 6 0												
Municipal drainage charges	0 1 2 7 0												
Garbage collection charges	0 1 2 8 0												
Business improvement area	0 1 2 9 0								87,147			4,737	91,884
	0 1 3 0 0												
Subtotal special charges on tax bills						3							
Total own purposes taxation	0 1 3 2 0					4	5,752,298	2,732,566	1,372,998	117,325	51,821	88,898	10,115,906
II. Upper tier purposes													
(a) Levied by mill rate													
General	0 2 0 1 0	112,580,647	44,254,947	22,968,600	38.035	44.748	4,282,044	1,980,298	1,027,788	93,957	41,500	67,198	7,492,985
Special purposes													
	0 2												
	0 2												
	0 2												
	0 2												
	0 2												
Subtotal levied by mill rate						5	4,282,044	1,980,298	1,027,788	93,957	41,500	67,198	7,492,985
(b) Other charges on tax bills — Share of telephone and telegraph taxation	0 2 2 1 0					6		188,301					188,301
Local improvements	0 2 2 2 0												
Sewer and water service charges	0 2 2 3 0												
Sewer and water connection charges	0 2 2 4 0												
Fire service charges	0 2 2 5 0												
	0 2 3 0 0												
Subtotal special charges on tax bills						7							
Total upper tier taxation	0 2 3 2 0					8	4,282,044	2,168,599	1,027,788	93,957	41,500	67,198	7,681,286
III. School board purposes													
Elementary public													
	0 3 0 1	91,829,583	41,417,940	21,778,285	62.656	73.713	5,753,701	3,053,048	1,605,346	125,053	63,572	107,446	10,708,164
	0 3 0 1												
Share of telephone and telegraph taxation	0 3 2 1 0					9		289,951					289,951
Subtotal elementary public						10	5,753,701	3,342,999	1,605,346	125,053	63,572	107,446	10,998,115
Elementary separate													
	0 4 0 1	20,751,064	2,837,007	1,190,315	62.656	73.713	1,300,184	209,124	87,741	29,757	4,806	1,604	1,633,216
	0 4 0 1												
Subtotal elementary separate						11	1,300,184	209,124	87,741	29,757	4,806	1,604	1,633,216
Secondary													
	0 5 0 1	112,580,647	44,254,947	22,968,600	48.995	57.641	5,515,866	2,550,895	1,323,931	120,732	53,326	86,605	9,651,355
	0 5 0 1												
Share of telephone and telegraph taxation	0 5 2 1 0					12		242,851					242,851
Subtotal secondary						13	5,515,866	2,793,746	1,323,931	120,732	53,326	86,605	9,894,206
Total all school board taxation	0 6 3 2 0					14	12,569,751	6,345,869	3,017,018	275,542	121,704	197,655	22,527,539

ANALYSIS OF CURRENT REVENUE FOR SPECIFIC FUNCTIONS

for the year ended December 31, 1985

CITY OF WATERLOO

		Ontario specific grants	Canada grants	Other municipalities - grants, fees, and service charges	User service charges and donations
		1 $	2 $	3 $	4 $
General government	1				140,713
Protection to persons and property					
Fire	2				
Police	3				
Conservation authority	4				
Protective inspection and control	5				
	6				
Subtotal	7				
Transportation services					
Roadways	8	173,870		493,700	
Winter control	9	288,273			
Transit	10	803,297			
Parking	11				
Street lighting	12				
Air transportation	13				
	14				
Subtotal	15	1,265,440		493,700	
Environmental services					
Sanitary sewer system	16				
Storm sewer system	17				
Waterworks system	18				
Garbage collection	19				
Garbage disposal	20				
Pollution control	21				
	22				
Subtotal	23				
Health services					
Public health services	24				
Public health inspections and control	25				
Hospitals	26				
Ambulance services	27				
Cemeteries	28				
	29				
Subtotal	30				
Social and family services					
General assistance	31				
Assistance to aged persons	32				
Assistance to children	33				
Day nurseries	34				
	35				
Subtotal	36				
Recreation and cultural services					
Parks and recreation	37	9,720			82,663
Libraries	38	142,852	7,642		51,595
Other cultural	39	15,000			
Subtotal	40	167,572	7,642		134,258
Planning and development					
Planning and zoning	41				4,650
Commercial and industrial	42				
Residential development	43				
Agriculture and reforestation	44				
Tile drainage/shoreline assistance	45				
	46				
Subtotal	47				
Electricity	48				
Gas	49				
Telephone	50				
Total	51	1,433,012	7,642	493,700	279,621

ANALYSIS OF REVENUE FUND EXPENDITURES

for the year ended December 31, 1985

CITY OF WATERLOO

4

		salaries, wages and employee benefits	net long term debt charges	materials, services, rents and financial expenses	transfers to own funds	other transfers	inter functional transfers	total expenditure	
		1 $	2 $	3 $	4 $	5 $	6 $	7 $	
General government	1	901,460		923,972	877,929			2,703,361	1
Protection to persons and property									
Fire	2	2,940,350		129,001	168,000		60,088	3,297,439	2
Police	3								3
Conservation authority	4								4
Protective inspection and control	5	238,728		120,531				359,259	5
	6								6
Subtotal	7	3,179,078		249,532	168,000		60,088	3,656,698	7
Transportation services									
Roadways	8	1,355,133	545,125	659,600	419,693			2,979,551	8
Winter control	9	200,044		583,969	100,000			884,013	9
Transit	10			1,535,832				1,535,832	10
Parking	11	49,767	41,197	30,677	25,022			146,663	11
Street lighting	12		4,397	336,805	67,743			408,945	12
Air transportation	13								13
	14								14
Subtotal	15	1,604,944	590,719	3,146,883	632,458			5,975,004	15
Environmental services									
Sanitary sewer system	16	304,001	117,026	167,093	38,456			626,576	16
Storm sewer system	17		25,211		48,456			73,667	17
Waterworks system	18	282,994	37,722	392,891	280,924		(60,088)	934,443	18
Garbage collection	19	196,967		227,393	71,452			495,812	19
Garbage disposal	20			157,167				157,167	20
Pollution control	21								21
	22								22
Subtotal	23	783,962	179,959	944,544	439,288		(60,088)	2,287,665	23
Health services									
Public health services	24								24
Public health inspections and control	25								25
Hospitals	26								26
Ambulance services	27								27
Cemeteries	28	94,961	10,329	99,096				204,386	28
	29								29
Subtotal	30	94,961	10,329	99,096				204,386	30
Social and family services									
General assistance	31								31
Assistance to aged persons	32								32
Assistance to children	33								33
Day nurseries	34								34
	35								35
Subtotal	36								36
Recreation and cultural services									
Parks and recreation	37	1,620,809	277,778	941,872	287,283			3,127,742	37
Libraries	38	431,242	35,040	229,993	38,161			734,436	38
Other cultural	39					137,174		137,174	39
Subtotal	40	2,052,051	312,818	1,171,865	325,444	137,174		3,999,352	40
Planning and development									
Planning and zoning	41	195,920		12,273				228,193	41
Commercial and industrial	42	90,219	147,358	217,236	28,949			483,762	42
Residential development	43								43
Agriculture and reforestation	44								44
Tile drainage/shoreline assistance	45								45
	46								46
Subtotal	47	286,139	147,358	249,509	28,949			711,955	47
Electrical	48								48
Gas	49								49
Telephone	50								50
Total	51	8,902,595	1,241,183	6,785,401	2,472,068	137,174		19,538,421	51

		$
Total of column 2 includes:		
Payments to Ontario in respect of Down town Revitalization Program loans	81	
Accrued interest (enter an amount only if the change to the accrual basis was made in this reporting year)	82	
Interest portion of transit debt charges included on line 10	83	
Total of column 3 includes:		
Ministry of the Environment		
Provincial projects service charges —water	52	
—sewer	53	
Provincial projects frontage and connection charges—water	57	
—sewer	58	
Joint projects operating charges —water	54	
—sewer	55	
O.P.P. policing contracts	56	
Short term interest costs	60	
Total of column 5 includes:		
Grants to charitable and non profit organizations	62	137,174
Grants to universities and colleges	63	
Contributions to UNCONSOLIDATED joint local boards		
Health unit	64	
District welfare board	65	
Home for the aged	66	
Recreation board(s)	67	
Fire area board	68	
Suburban roads commission	69	
	70	
	71	
Line 1 of column 7 includes:		
Members of council	72	122,039
Line 51 of column 7 includes:		
Payments in respect of long term commitments and liabilities financed from revenue, as approved by the Ontario Municipal Board. Exclude debt charges reported in column 2.	73	

ANALYSIS OF CAPITAL OPERATIONS

for the year ended December 31, 1985

Municipality

CITY OF WATERLOO

5

		1 $
Unfinanced capital outlay (Unexpended capital financing) at the beginning of the year	1	332,645
Sources of financing		
Contributions from own funds		
Revenue fund	2	652,019
Reserves and reserve funds	3	5,912,332
Subtotal	4	6,564,351
Long term liabilities incurred		
Central Mortgage and Housing Corporation	5	
Ontario Municipal Improvement Corporation	7	
Commercial Area Improvement Program	9	
Other Ontario housing programs	10	
Ministry of the Environment	11	
Tile drainage and shoreline property assistance programs	12	
The Public		
Serial debentures	13	
Sinking fund debentures	14	
. Region of Waterloo	15	1,259,324
.	16	
.	17	
Subtotal*	18	1,259,324
Grants and loan forgiveness		
Ontario	20	498,447
Canada	21	
Other municipalities	22	21,423
Subtotal	23	519,870
Other financing		
Prepaid special charges	24	138,599
Proceeds from sale of fixed assets	25	
Investment income		
From own funds	26	
Other	27	
Donations	28	
Lot levies and subdivider contributions	29	
. Sale of industrial land	30	1,336,311
. Other	31	(151,611)
Subtotal	32	1,323,299
Total sources of financing	33	9,666,844
Applications		
Own expenditures		
Short term interest costs	34	
Other	35	9,425,915
Subtotal	36	9,425,915
Transfers of proceeds from long term liabilities to:		
Other municipalities	37	
Unconsolidated local boards	38	
Individuals	39	
Subtotal	40	
Transfers to reserves, reserve funds and the revenue fund	41	23,050
Total applications	42	9,448,965
Unfinanced capital outlay (Unexpended capital financing) at the end of the year	43	114,766
Amount reported in line 43 analysed as follows:		
Unapplied capital receipts	44	( )
To be recovered from:		
—taxation or user charges within term of council	45	
—proceeds from long term liabilities	46	114,766
—transfers from reserves and reserve funds	47	
—other (specify)	48	
Total unfinanced capital outlay (unexpended capital financing)	49	114,766
*amount in line 18 raised on behalf of other municipalities	19	

ANALYSIS OF CAPITAL GRANTS AND OWN EXPENDITURES

for the year ended December 31, 1985

Municipality

CITY OF WATERLOO

6

		CAPITAL GRANTS			TOTAL OWN EXPENDITURES
		Ontario grants	Canada grants	Other municipalities	
		1 $	2 $	3 $	4 $
General government	1	51,782			339,070
Protection to persons and property					
Fire	2				77,119
Police	3				
Conservation authority	4				
Protective inspection and control	5				
	6				
Subtotal	7				77,119
Transportation services					
Roadways	8	329,403		12,893	2,877,486
Winter control	9				
Transit	10				
Parking	11				163,533
Street lighting	12				70,243
Air transportation	13				
	14				
Subtotal	15	329,403		12,893	3,111,262
Environmental services					
Sanitary sewer system	16				1,181,201
Storm sewer system	17	86,929		8,530	1,134,380
Waterworks system	18				1,214,544
Garbage collection	19				83,344
Garbage disposal	20				
Pollution control	21				
	22				
Subtotal	23	86,929		8,530	3,613,469
Health services					
Public health services	24				
Public health inspections and control	25				
Hospitals	26				
Ambulance services	27				
Cemeteries	28				
	29				
Subtotal	30				
Social and family services					
General assistance	31				
Assistance to aged persons	32				
Assistance to children	33				
Day nurseries	34				
	35				
Subtotal	36				
Recreation and cultural services					
Parks and recreation	37				140,883
Libraries	38	12,333			43,403
Other cultural	39				
Subtotal	40	12,333			184,286
Planning and development					
Planning and zoning	41	18,000			16,189
Commercial and industrial	42				2,084,520
Residential development	43				
Agriculture and reforestation	44				
Tile drainage/shoreline assistance	45				
	46				
Subtotal	47	18,000			2,100,709
Electricity	48				
Gas	49				
Telephone	50				
Total	51	498,447		21,423	9,425,915

ANALYSIS OF NET LONG TERM LIABILITIES BY FUNCTION

as at December 31, 1985

Municipality

CITY OF WATERLOO

			$
General government		1	
Protection to persons and property			
Fire		2	
Police		3	
Conservation authority		4	
Protective inspection and control		5	
.		6	
	Subtotal	7	
Transportation services			
Roadways		8	1,685,251
Winter control		9	
Transit		10	
Parking		11	227,000
Street lighting		12	4,088
Air transportation		13	
.		14	
	Subtotal	15	1,916,339
Environmental services			
Sanitary sewer system		16	389,461
Storm sewer system		17	45,480
Waterworks system		18	78,192
Garbage collection		19	
Garbage disposal		20	
Pollution control		21	
.		22	
	Subtotal	23	513,133
Health services			
Public health services		24	
Public health inspections and control		25	
Hospitals		26	
Ambulance services		27	
Cemeteries		28	19,000
.		29	
	Subtotal	30	19,000
Social and family services			
General assistance		31	
Assistance to aged persons		32	
Assistance to children		33	
Day nurseries		34	
.		35	
	Subtotal	36	
Recreation and cultural services			
Parks and recreation		37	1,187,605
Libraries		38	33,052
Other cultural		39	
	Subtotal	40	1,220,657
Planning and development			
Planning and zoning		41	
Commercial and industrial		42	732,000
Residential development		43	
Agriculture and reforestation		44	
Tile drainage/shoreline assistance		45	
.		46	
	Subtotal	47	732,000
Electricity		48	3,008,000
Gas		49	
Telephone		50	
	Total	51	7,409,129

ANALYSIS OF LONG TERM
LIABILITIES AND COMMITMENTS

for the year ended December 31, 1985

Municipality: CITY OF WATERLOO

			1 $
1. Calculation of debt burden of the municipality			
All debt issued by the municipality, predecessor municipalities and consolidated entities			
: To Ontario and agencies		1	
: To Canada and agencies		2	
: To other		3	1,728,777
	Subtotal	4	1,728,777
Plus: All debt assumed by the municipality from others		5	6,573,105
Less: All debt assumed by others			
: Ontario		6	415,000
: Schoolboards		7	177,154
: Other municipalities		8	300,599
	Subtotal	9	892,753
Less: Ministry of the Environment debt retirement funds			
—sewer		10	
—water		11	
Own sinking funds (actual balances)			
—general municipal		12	
—enterprises and other		13	
	Subtotal	14	
	Total	15	7,409,129
Sinking fund debentures		16	
Installment (serial) debentures		17	7,409,129
Long term bank loans		18	
Lease purchase agreements		19	
Mortgages		20	
Ministry of the Environment		22	
		23	
		24	
			$
2. Total debt payable in foreign currencies (net of sinking fund holdings)			
U.S. dollars—Canadian dollar equivalent included in line 15 above		25	311,000
—par value of this amount in U.S. dollars		26	311,000
Other —Canadian dollar equivalent included in line 15 above		27	
—par value of this amount in _____		28	
			$
3. Interest earned on sinking funds and debt retirement funds during the year			
Own funds		29	
Ministry of the Environment—sewer		30	
—water		31	
			$
4. Actuarial balance of own sinking funds at year end		32	
			$
5. Long term commitments and contingencies at year end			
Total liability for accumulated sick pay credits		33	1,890,350
Total liability under OMERS plans			
—initial unfunded (payable over __ years) (number of employees)		34	533,751
—actuarial deficiency (payable over __ years)		35	
Total liability for own pension funds			
—initial unfunded (payable over __ years) (number of employees)		36	
—actuarial deficiency (payable over __ years)		37	
Outstanding loans guaranteed (payable over __ years)		38	
Commitments and liabilities financed from revenue, as approved by the Ontario Municipal Board			
—hospital support		39	
—university support		40	
—leases and other agreements		41	
Other (specify)		42	
		43	
		44	
	Total	45	2,424,101

6. Ministry of the Environment Provincial Projects

		accumulated surplus (deficit) 1 $	total outstanding capital obligation 2 $	debt charges 3 $
Water projects —for this municipality only	46			
—share of integrated project(s)	47			
Sewer projects —for this municipality only	48			
—share of integrated project(s)	49			

7. 1985 Debt Charges

		principal 1 $	interest 2 $
Recovered from the consolidated revenue fund			
—general tax rates	50	313,675	297,072
—special area rates and special charges	51		
—benefitting landowners	52	378,814	228,794
—user rates (consolidated entities)	53	18,000	4,828
Recovered from reserve funds	54		
Recovered from unconsolidated entities			
—hydro	55	117,000	123,026
—gas and telephone	57		
—	56		
—	58		
—	59		
Total	78	827,489	653,720

8. Future principal and interest payments on existing net debt

		recoverable from the consolidated revenue fund		recoverable from reserve funds		recoverable from unconsolidated entities	
		principal 1 $	interest 2 $	principal 3 $	interest 4 $	principal 5 $	interest 6 $
1986	60	610,984	465,543			186,000	322,829
1987	61	566,681	408,250			172,000	306,920
1988	62	509,460	352,472			159,000	291,415
1989	63	416,302	299,573			154,000	276,161
1990	64	405,212	253,951			139,000	260,889
1991-1995	65	1,644,490	614,131			864,000	1,065,501
1996 onwards	79	248,000	45,480			1,334,000	492,105
Interest to be earned on sinking funds*	69						
Downtown revitalization program	70						
Total	71	4,401,129	2,439,400			3,008,000	3,015,820

*includes interest to be earned on Ministry of the Environment debt retirement funds

9. Future principal payments on expected new debt

		1 $
1986	72	34,000
1987	73	126,000
1988	74	231,000
1989	75	377,000
1990	76	484,000
Total	77	1,252,000

10. Other notes (attach supporting schedule as required)

CONTINUITY OF UPPER TIER AND SCHOOL BOARD LEVIES

for the year ended December 31, 1985

Municipality: CITY OF WATERLOO

9LT

UPPER TIER		balance at beginning of year	amounts requisitioned	supplementary taxes	total expended	amount levied	telephone and telegraph taxation	share of Provincial grants	share of payments in lieu of taxes	other	total raised	balance at end of year	
		1 $	2 $	3 $	4 $	5 $	6 $	8 $	9 $	10 $	12 $	11 $	
Included in general mill rate for upper tier purposes													
General requisition	1		8,080,904	202,855	8,283,759								
Special purpose requisitions													
Water rate	2												
Transit rate	3												
Sewer rate	4												
Library rate	5												
Road rate	6												
.	7												
.	8												
.	9												
.	10												
Sub total levied by mill rate—general	11	NIL	8,080,904	202,855	8,283,759	7,492,985	188,301		602,473		8,283,759	NIL	11
Special purpose requisitions													
Water	12												
Transit	13												
Sewer	14												
Library	15												
.	16												
.	17												
Sub total levied by mill rate—special areas	18												18
Special charges	19												
Direct water billings	20	NIL	1,069,822		1,069,822	1,069,822					1,069,822	NIL	19 20
Sewer surcharge on direct water billings	21	NIL	1,850,961		1,850,961	1,850,961					1,850,961	NIL	21
Total region or county	22	NIL	11,001,687	202,855	11,204,542	10,413,768	188,301		602,473		11,204,542	NIL	22

SCHOOL BOARDS		balance at beginning of year	amounts requisitioned	supplementary taxes	pupils' fees, share of trader licences	total expended	amount levied	telephone and telegraph taxation	share of payments in lieu of taxes	pupils' fees, share of trader licences	total raised	balance at end of year	
		1 $	2 $	3 $	4 $	5 $	6 $	7 $	8 $	9 $	10 $	11 $	
Elementary public	23	NIL	10,747,391	296,071		11,043,462	10,708,166	289,951	45,345		11,043,462	NIL	
.	24												
.	25												
.	26												
	27												
Elementary separate	28	NIL	1,607,400	38,167		1,645,567	1,635,216		10,351		1,645,567	NIL	
	29												
.	30												
	31												
Secondary	32	NIL	9,677,090	260,664		9,937,754	9,651,355	242,851	43,548		9,937,754	NIL	
	33												
	34												
	35												
Total school boards	36	NIL	22,031,881	594,902		22,626,783	21,994,737	532,802	99,244		22,626,783	NIL	36

CONTINUITY OF RESERVES AND RESERVE FUNDS

for the year ended December 31, 1985

Municipality

CITY OF WATERLOO

10

		1
Balance at beginning of year	1	5,441,969
Revenues		
Contributions from revenue fund	2	1,820,049
Contributions from capital fund	3	
Lot levies and subdivider contributions	60	6,846,570
Recreational land (the Planning Act)	61	6,485
Investment income—from own funds	5	319,474
—other	6	
. Other	9	39,776
.	10	
.	11	
.	12	
Total revenue	13	9,032,354
Expenditures		
Transferred to capital fund	14	5,912,332
Transferred to revenue fund	15	222,145
Charges for long term liabilities—principal and interest	16	
Transfer of Ontario Home Renewal Plan to trust fund	62	148,820
. Other	63	60,891
.	20	
.	21	
Total expenditure	22	6,344,188
Balance at end of year for:		
Reserves	23	1,650,425
Reserve Funds	24	6,479,710
Total	25	8,130,135
analysed as follows:		
Working funds	26	
Contingencies	27	
Ministry of the Environment fund for renewals, etc.		
—sewer	28	
—water	29	
Replacement of equipment	30	1,703,522
Sick leave	31	668,062
Insurance	32	
Workmen's compensation	33	
Capital expenditure—general administration	34	
—roads	35	
—sanitary and storm sewers	36	
—parks and recreation	64	
—library	65	
—other cultural	66	
—water	38	
—transit	39	
—housing	40	
—industrial development	41	
—other and unspecified	42	1,217,377
Lot levies and subdivider contributions	44	3,950,712
Recreational land (the Planning Act)	46	51,448
Parking revenues	45	
Debenture repayment	47	
Exchange rate stabilization	48	236,735
Waterworks current purposes	49	
Transit current purposes	50	
Library current purposes	51	
. Winter Control	52	202,121
. Housing Incentive	53	22,445
. Memorial Fund	54	992
. Local Improvements	55	76,721
.	56	
.	57	
Total	58	8,130,135

ANALYSIS OF CONSOLIDATED YEAR END BALANCES

as at December 31, 1985

Municipality: CITY OF WATERLOO

		1 $	2 $
ASSETS			
Current assets			portion of cash not in chartered banks
Cash	1	9,289,805	
Accounts receivable			
Canada	2		
Ontario	3	749,591	
Region or county	4	114,334	
Other municipalities	5	36,166	
School boards	6		
Waterworks	7	245,090	portion of taxes receivable for business taxes
Other (including unorganized areas)	8	761,906	
Taxes receivable			
Current year's levies	9	793,017	102,567
Previous year's levies	10	176,945	3,738
Prior years' levies	11	32,328	537
Penalties and interest	12	93,356	9,951
Less allowance for uncollectables	13	(13,000)	(13,000)
Investments (market value $)			
Canada	14		
Provincial	15		
Municipal	16		
Other	17		
Other current assets	18	223,481	portion of line 20 for tax sale/tax registration
Capital outlay to be recovered in future years	19	7,409,129	
Other long term assets	20	317,837	
Total	21	20,229,985	
LIABILITIES			
Current liabilities			portion of loans not from chartered banks
Temporary loans—current purposes	22		
—capital—Ontario	23		
—Canada	24		
—Other	25		
Accounts payable and accrued liabilities			
Canada	26		
Ontario	27	1,451	
Region or county	28	675,063	
Other municipalities	29	201,877	
School boards	30	408,971	
Trade accounts payable	31	2,164,312	
Other	32		
Other current liabilities	33		
Net long term liabilities			
Recoverable from the Consolidated Revenue Fund			
—general tax rates	34	2,674,129	
—special area rates and special charges	35		
—benefitting landowners	36	1,676,000	
—user rates (consolidated entities)	37	51,000	
Recoverable from Reserve Funds	38		
Recoverable from unconsolidated entities	39	3,008,000	
Less: Own holdings	40	(835,000)	
Reserves and reserve funds	41	8,130,135	
Accumulated net revenue (deficit)			
General revenue	42	1,050,000	
Special charges and special areas (specify)			
. Sewer surcharge	43	141,401	
.	44		
.	45		
.	46		
Consolidated local boards (specify)			
Transit operations	47		
Water operations	48	958,425	
Libraries	49	17,916	
Cemeteries	50		
Recreation, community centres and arenas	51		
. Uptown improvement area	52	21,071	
.	53		
.	54		
.	55		
Region or county	56		
School boards	57		
Unexpended capital financing/(unfinanced capital outlay)	58	(114,766)	
Total	59	20,229,985	

STATISTICAL DATA

for the year ended December 31, 1985

Municipality: CITY OF WATERLOO

1. Number of continuous full time employees as at December 31

		1
Administration	1	25
Non-line Departmental Support Staff	2	
Fire	3	70
Police	4	
Transit	5	
Public Works	6	100
Health Services	7	
Homes for the Aged	8	
Other Social Services	9	
Parks and Recreation	10	54
Libraries	11	23
Planning	12	8
Total	13	280

2. Total expenditures during the year on:

		Continuous full time employees December 31	Other
		1	2
		$	$
Wages and salaries	14	7,311,197	482,118
Employee benefits	15	1,291,608	24,000

3. Reductions of tax roll during the year (lower tier municipalities only)

		1
		$
Cash collections: Current year's tax	16	38,626,123
Previous years' tax	17	676,135
Penalties and interest	18	155,461
Subtotal	19	39,457,719
Discounts allowed	20	
Tax adjustments under section 362 and 363 of the Municipal Act —amounts added to the roll	22	( )
—amounts written off	23	
Tax adjustments under sections 465, 495 and 496 of the Municipal Act —recoverable from upper tier and school boards	24	249,330
—recoverable from general municipal revenues	25	79,168
Transfers to tax sale and tax registration accounts	26	
The Municipal Elderly Residents' Assistance Act—reductions	27	
—refunds	28	
Other (specify)	80	
Total reductions	29	328,498
Amounts added to the tax roll for collection purposes only	30	2,557
Business taxes written off under subsection 495 (1) of the Municipal Act	81	21,098

4. Tax due dates for 1985 (lower tier municipalities only)

			1
Interim billings:	Number of installments	31	2
	Due date of first installment (MMDDYY)	32	021985
	Due date of last installment (MMDDYY)	33	041985
Final billings:	Number of installments	34	2
	Due date of first installment (MMDDYY)	35	061185
	Due date of last installment (MMDDYY)	36	092085
Supplementary taxes levied with 1986 due date		37	$

5. Projected capital expenditures and long term financing requirements as at December 31

		gross expenditure	long term financing requirements: approved by the O.M.B.	submitted but not yet approved by the O.M.B.	forecast not yet submitted to the O.M.B.
		1	2	3	4
Estimated to take place		$	$	$	$
In 1986	58	6,242,100			4,549,500
In 1987	59	6,626,832			4,032,900
In 1988	60	8,246,853			3,610,000
In 1989	61	3,212,895			4,005,700
In 1990	62	8,086,791			1,016,700
Total	63	32,515,471			19,214,800

		balance in fund	loans outstanding
		1	2
		$	$
6. Ontario Home Renewal Plan trust fund at year end	82	136,809	120,716

7. Analysis of direct water and sewer billings as at December 31

water

		number of residential units	1985 billings: residential units	1985 billings: all other properties	for computer use only
		1	2	3	4
			$	$	
In this municipality	39	20,369	702,098	1,493,136	
In other municipalities (specify municipality)	40				
	41				
	42				
	43				
	64				

sewer

		number of residential units	1985 billings: residential units	1985 billings: all other properties
		1	2	3
			$	$
In this municipality	44	20,369	601,507	1,278,202
In other municipalities (specify municipality)	45			
	46			
	47			
	48			
	65			

		water	sewer
		1	2
Number of residential units in this municipality receiving municipal water and sewer services but which are not on direct billing	66		

8. Selected investments of own sinking funds as at December 31

		own municipality	other municipalities, school boards	Province	Federal
		1	2	3	4
		$	$	$	$
Own sinking funds	83				

9. Borrowing from own reserve funds

		1
		$
Loans or advances due to reserve funds as at December 31	84	1,030,758

10. Joint boards consolidated by this municipality

		total board expenditure	contribution from this municipality	this municipality's share of total municipal contributions	for computer use only
		1	2	3	4
		$	$	%	
name of joint boards	53				
	54				
	55				
	56				
	57				

11. Applications to the Ontario Municipal Board

		tile drainage, shoreline assistance, downtown revitalization, electricity, gas, telephone	other	total
		1	2	3
		$	$	$
Approved but not financed as at Dec. 31, 1984	67		1,437,000	1,437,000
Approved in 1985	68		6,716,854	6,716,854
Financed in 1985	69		3,259,324	3,259,324
No long term financing necessary	70		152,376	152,376
Balance approved but not financed as at Dec. 31, 1985	71		4,742,154	4,742,154
Applications submitted but not approved as at December 31, 1985	72			

12. Forecast of total revenue fund expenditures

		1986	1987	1988	1989	1990
		1	2	3	4	5
		$	$	$	$	$
	73	20,906,000	22,369,000	23,935,000	25,611,000	27,405,000

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Clarkson Gordon

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AUDITORS' REPORT

To the Ministry of Municipal Affairs:

We have examined grant information schedule 13 of the Financial Information Return of The Corporation of the City of Waterloo for the year ended December 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, this schedule presents fairly the grant information shown therein in accordance with instructions issued by the Ministry of Municipal Affairs for the year 1985.

Clarkson Gordon

Waterloo, Canada,
April 23, 1986.

Chartered Accountants,
Licence number 1217.

GRANT INFORMATION

for the year ended December 31, 1985

Municipality: CITY OF WATERLOO

13

ANALYSIS OF REVENUE FUND REVENUES — 1

Note: Upper tiers use column 4 only.

		upper tier purposes 2 $	own purposes 4 $
Taxation			
Direct water billings on ratepayers - own municipality	2	1,069,822	1,125,412
Sewer surcharge on direct water billings - own municipality	4	1,850,961	28,748
Payments in lieu of taxes			
Subtotal	18	602,473	909,303

ANALYSIS OF TAXATION — 2LT

LOCAL TAXABLE ASSESSMENT

I. Own purposes (a) Levied by mill rate		residential and farm 1 $	commercial and industrial 2 $	business 3 $
General	30	112,580,647	44,254,947	22,968,600
police villages at reduced rates	31			
farms at reduced rates	32			

TAXES LEVIED

		commercial and industrial 7 $	business 8 $	total 12 $
Subtotal levied by mill rate	1	2,477,525	1,285,851	
Share of telephone and telegraph taxation	2			234,253
Total own purposes taxation	4			10,115,906
II. Upper tier purposes				
Subtotal levied by mill rate	5	1,980,298	1,027,788	
share of telephone and telegraph taxation	6			188,301
Total upper tier taxation	8			7,681,286

ANALYSIS OF CAPITAL OPERATIONS — 5

		1 $
Other financing		
Prepaid special charges	24	138,599

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ACCOUNTANTS' COMMENTS

We made a review of the accompanying balance sheet as at December 31, 1985 and the statements of revenue and expenditure and changes in financial position for the year then ended which were prepared by The Corporation of the City of Waterloo Waterworks Enterprise.

Our review consisted primarily of enquiry, comparison and discussion of information supplied to us by the corporation. However, in accordance with the terms of our engagement, we have not performed an audit and consequently do not express an opinion on these financial statements.

Clarkson Gordon

Waterloo, Canada,
April 23, 1986.

Chartered Accountants,
Licence Number 1217.

THE CORPORATION OF THE CITY OF WATERLOO WATERWORKS ENTERPRISE

STATEMENT OF REVENUE AND EXPENDITURE

For the year ended December 31, 1985

	1985 Budget $	1985 Actual $	1984 Actual $
Accumulated net revenue at the beginning of the year	666,451	666,451	465,675
Expenditure			
Water supply	1,050,000	1,069,822	946,572
Water transmission and distribution	406,904	343,751	330,287
Administration	361,858	358,134	338,551
Total operating expenditure	1,818,762	1,771,707	1,615,410
Principal payments and interest charges on long term debt	22,828	22,828	23,010
Transfers to reserves and reserve funds	12,800	43,137	46,256
Capital expenditure out of current revenue	284,761	237,787	199,632
Total expenditure	2,139,151	2,075,459	1,884,308
Revenue			
Sale of water	1,720,000	1,899,421	1,629,356
Fire protection	91,588	90,540	88,864
Other revenue	334,363	377,472	366,864
Total revenue	2,145,951	2,367,433	2,085,084
Accumulated net revenue at the end of the year	673,251	958,425	666,451

(See accompanying notes to the financial statements)

THE CORPORATION OF THE CITY OF WATERLOO WATERWORKS ENTERPRISE

BALANCE SHEET

As at December 31, 1985

ASSETS

	1985 $	1984 $
Current assets		
Accounts receivable		
- sale of water	222,871	166,417
- own municipality	775,332	552,344
- other	22,219	7,002
Inventories	63,693	70,584
	1,084,115	796,347
Capital outlay to be recovered in future years from waterworks revenue	51,000	69,000
Capital work in progress	46,422	23,661
Investments (note 2)	177,000	205,000
	1,358,537	1,094,008

LIABILITIES

Current liabilities		
Accounts payable and accrued liabilities	52,424	50,330
Payable to other governments	114,000	158,120
	166,424	208,450
Long term debt financed by the municipality (note 3)	51,000	69,000
Reserve for equipment replacement (note 4)	182,688	150,107
Accumulated net revenue	958,425	666,451
	1,358,537	1,094,008

(See accompanying notes to the financial statements)

THE CORPORATION OF THE CITY OF WATERLOO WATERWORKS ENTERPRISE

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the year ended December 31, 1985

	1985 $	1984 $
Source of funds		
Total revenue	2,367,433	2,085,084
Total operating expenditure	1,771,707	1,615,410
Total provided from operations	595,726	469,674
Capital funds transferred from the municipality	943,440	697,905
Other - Investments	28,000	72,000
	1,567,166	1,239,579
Application of funds		
Capital expenditure		
Engineering structures	1,203,988	913,928
Machinery and equipment	10,556	12,267
	1,214,544	926,195
Principal payments and interest charges on long term debt	22,828	23,010
	1,237,372	949,205
Net increase (decrease) in working capital	329,794	290,374
Working capital at the beginning of the year	587,897	297,523
Working capital at the end of the year	917,691	587,897

(See accompanying notes to the financial statements)

THE CORPORATION OF THE CITY OF WATERLOO WATERWORKS ENTERPRISE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1985

1. Accounting Policies

The Waterworks Enterprise follows accounting principles prescribed or permitted by the Ministry of Municipal Affairs of Ontario in the preparation of these financial statements. The more significant of these accounting policies are presented below:

(a) Basis of Accounting

(i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long term liabilities which are charged against the operations in the periods in which they are paid. The principal and interest charges are not accrued for the periods from the dates of the latest instalment payments to the end of the financial year.

(ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure on the Statement of Revenue and Expenditure in the year of acquisition. For those fixed assets financed or to be financed by the issue of long term indebtedness are also reported on the Statement of Revenue and Expenditure as they are paid.

(iv) "Capital outlay to be recovered in future years", which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the Balance Sheet.

(b) Inventories

Inventories consist of maintenance supplies and material held for future capital expansion. Inventories are valued at cost on a first-in, first-out basis.

(c) Reserves

Reserves are allocations of accumulated net revenue with no reference to specific assets. Contributions from the revenue fund to reserves are reported as expenditures in the Statement of Revenue and Expenditure.

2. Investments

The investments of $177,000 (1984 - $205,000) recorded on the Balance Sheet at cost, have a market value of $191,365 (1984 - $216,115) as at the end of the year.

3. Long term debt financed by the municipality

Included in long term debt financed by the municiaplity on the Balance Sheet is an amount of $27,000 (1984 - $34,000) payable in U.S. dollars which was converted into Canadian dollars on the basis of $1 Canadian being equal to $1 U.S. If the liability is converted into Canadian dollars at the exchange rate prevailing at December 31, 1985 the liability would be increased by approximately $10,754 (1984 - $10,938).

4. Reserve for equipment replacement

The increase in the reserve is represented by the following:

	1985	1984
Contributions for equipment usage	$43,137	$46,256
Less equipment purchases	(10,556)	(12,267)
	$32,581	$33,989

THE CORPORATION OF THE CITY OF WATERLOO WATERWORKS ENTERPRISE

ANALYSIS OF REVENUE

For the year ended December 31, 1985

	1985 $	1984 $
Sale of water		
Residential	702,098	622,305
Non-residential	1,197,323	1,007,051
	1,899,421	1,629,356
Fire protection		
Own municipality	60,088	58,710
Private	30,452	30,154
	90,540	88,864
Other revenue		
Installation and service charges	265,361	257,297
Investment income	26,630	33,138
Sundry	85,481	76,429
	377,472	366,864
Total revenue	2,367,433	2,085,084

THE CORPORATION OF THE CITY OF WATERLOO WATERWORKS ENTERPRISE

ANALYSIS OF EXPENDITURE

For the year ended December 31, 1985

	Salaries, wages and fringe benefits $	Material, supplies and utilities $	Total $
Water Supply			
Purchased water		1,069,822	1,069,822
Water Transmission and Distribution			
Mains	62,845	141,169	204,014
Meters	37,711	27,640	65,351
Services	28,681	45,705	74,386
	129,237	214,514	343,751
Administration			
General administration	153,757	12,474	166,231
Billing and data processing		191,903	191,903
	153,757	204,377	358,134
Total operating expenditure	282,994	1,488,713	1,771,707
Principal payments on long term debt			
Ministry of the Environment			
Instalment debentures		18,000	18,000
Interest charges on long term debt		4,828	4,828
		22,828	22,828
Transfers to reserve and reserve funds		43,137	43,137
Capital expenditure out of current revenue		237,787	237,787
Total expenditure	282,994	1,792,465	2,075,459

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

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AUDITORS' REPORT

To the Chairman and Members of
The Waterloo Public Library Board:

We have examined the balance sheet of The Waterloo Public Library Board as at December 31, 1985 and the statements of revenue and expenditure and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as explained in the following paragraph.

In common with most public library boards, the Board reports sundry and photocopier revenue amounting to $39,152 and $15,141 respectively, which is not susceptible of complete audit verification. Accordingly, we were unable to determine whether any adjustments might be necessary to sundry revenue, photocopier revenue, accumulated net revenue and funds provided from operations.

In our opinion, except for the possibility of adjustments had sundry and photocopier revenue been susceptible of complete audit verification, these financial statements present fairly the financial position of the Board as at December 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles described in note 1 to the financial statements, applied on a basis consistent with that of the preceding year.

Clarkson Gordon

Waterloo, Canada,
April 23, 1986.

Chartered Accountants,
Licence Number 1217.

THE WATERLOO PUBLIC LIBRARY BOARD

STATEMENT OF REVENUE AND EXPENDITURE

For the year ended December 31, 1985

	1985 Budget $	1985 Actual $	1984 Actual $
Accumulated net revenue at the beginning of the year	18,506	18,506	11,061
Expenditure			
Salaries and fringe benefits -			
Salaries and wages - library	354,605	359,161	313,764
- maintenance	20,000	17,887	20,092
Fringe benefits	58,355	54,194	50,891
	432,960	431,242	384,747
Materials, supplies and utilities -			
Books	119,000	125,142	116,023
Periodicals and newspaper	6,000	6,225	5,087
Non-print materials	10,000	10,889	9,906
Utilities	30,000	23,604	27,258
Other supplies	46,130	49,653	42,589
	211,130	215,513	200,863
Services and rents -			
Photocopier	11,300	10,280	10,804
Portable rent	4,200	4,200	2,100
	15,500	14,480	12,904
Total operating expenditure	659,590	661,235	598,514
Principal payments on long term debt	31,202	31,202	29,394
Interest charges on long term debt	3,838	3,838	5,591
Capital expenditure out of current revenue	31,350	38,161	72,495
Total expenditure	725,980	734,436	705,994
Revenue			
Municipal contribution	528,296	528,296	483,346
Municipal contribution for library roof			38,916
Province of Ontario energy grant			2,050
Province of Ontario grant	129,178	133,052	129,177
Summer Canada works grant		7,642	3,146
M.R.L.S.		763	570
Wintario grant		2,000	
Equipment grant		7,800	
Photocopier	16,500	15,141	16,632
Sundry income	33,500	39,152	39,602
Total revenue	707,474	733,846	713,439
Accumulated net revenue at the end of the year	Nil	17,916	18,5[illegible]

(See accompanying notes to the financial statements)

THE WATERLOO PUBLIC LIBRARY BOARD

BALANCE SHEET

As at December 31, 1985

ASSETS

	1985 $	1984 $
Cash	48,638	18,506
Capital outlay to be recovered in future years	33,052	64,253
	81,690	82,759

LIABILITIES

Accounts payable	30,722	
Long term debt financed by the municipality	33,052	64,253
Accumulated net revenue	17,916	18,506
	81,690	82,759

(See accompanying notes to the financial statements)

THE WATERLOO PUBLIC LIBRARY BOARD

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the year ended December 31, 1985

	1985 $	1984 $
Source of funds		
Total revenue	733,846	713,439
Total operating expenditure	661,235	598,514
	72,611	114,925
Application of funds		
Capital expenditure -		
Library roof		48,566
Service study	12,500	
Temporary expansion		11,996
Machinery and equipment	21,311	8,433
Energy saving measures	4,350	3,500
	38,161	72,495
Principal payments on long term debt	31,202	29,394
Interest charges on long term debt	3,838	5,591
	73,201	107,480
Net increase (decrease) in working capital	(590)	7,445
Working capital at the beginning of the year	18,506	11,061
Working capital at the end of the year	17,916	18,506

(See accompanying notes to the financial statements)

THE WATERLOO PUBLIC LIBRARY BOARD

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1985

1. Accounting Policies

The Library Board follows accounting principles prescribed or permitted by the Ministry of Municipal Affairs of Ontario in the preparation of these financial statements. The more significant of these accounting policies are presented below:

Basis of Accounting

(i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long term liabilities which are charged against operations in the periods in which they are paid. The principal and interest charges are not accrued for the periods from the dates of the latest instalment payments to the end of the financial year.

(ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure on the Statement of Revenue and Expenditure in the year of acquisition. For those fixed assets financed or to be financed by the issue of long term indebtedness are also reported on the Statement of Revenue and Expenditure as they are paid.

(iv) "Capital outlay to be recovered in future years", which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the Balance Sheet.

2. Lease commitment

The Board's lease commitment for a photocopier amounts to $2,900 per annum and expires in 1989.

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AUDITORS' REPORT

To the Chairman and Members of
The Uptown Waterloo Business Improvement Area
Board of Management:

We have examined the balance sheet of The Uptown Waterloo Business Improvement Area Board of Management as at December 31, 1985 and the statements of revenue and expenditure and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board as at December 31, 1985 and the results of its operations and changes in financial position for the year then ended in accordance with the accounting principles described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Clarkson Gordon

Waterloo, Canada,
April 23, 1986.

Chartered Accountants,
Licence number 1217.

THE UPTOWN WATERLOO BUSINESS IMPROVEMENT AREA BOARD OF MANAGEMENT

STATEMENT OF REVENUE AND EXPENDITURE

For the year ended December 31, 1985

	1985 $	1984 $
Revenue:		
Municipal contributions - tax levy	91,884	87,466
Investment income	2,313	3,460
Other	11,277	7,293
Total revenue	105,474	98,219
Expenditure:		
Operations - Advertising	57,597	42,871
- Wages	19,657	14,053
- Other	7,993	5,980
Total operating expenditure	85,247	62,904
Capital expenditure out of current revenue	26,449	26,153
Total expenditure	111,696	89,057
Excess (deficiency) of revenue over expenditure for the year	(6,222)	9,162
Accumulated net revenue at the beginning of the year	29,793	20,631
Accumulated net revenue at the end of the year	23,571	29,793

(See accompanying note to the financial statements)

THE UPTOWN WATERLOO BUSINESS IMPROVEMENT AREA BOARD OF MANAGEMENT

BALANCE SHEET

As at December 31, 1985

ASSETS

	1985 $	1984 $
Cash and term deposits	18,202	6,928
Accounts receivable	34,643	29,737
Prepaid expenses	250	
	53,095	36,665

LIABILITIES

Accounts payable and accrued liabilities	29,524	6,872
Accumulated net revenue	23,571	29,793
	53,095	36,665

(See accompanying note to the financial statements)

THE UPTOWN WATERLOO BUSINESS IMPROVEMENT AREA BOARD OF MANAGEMENT

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the year ended December 31, 1985

	1985 $	1984 $
Source of funds		
Total revenue	105,474	98,219
Total operating expenditure	85,247	62,904
	20,227	35,315
Application of funds		
Capital expenditure		
Beautification	26,449	11,429
Street improvements		14,724
	26,449	26,153
Net increase (decrease) in working capital	(6,222)	9,162
Working capital at the beginning of the year	29,793	20,631
Working capital at the end of the year	23,571	29,793

(See accompanying notes to the financial statements)

THE UPTOWN WATERLOO BUSINESS IMPROVEMENT AREA BOARD OF MANAGEMENT

NOTE TO THE FINANCIAL STATEMENTS

December 31, 1985

Accounting policies

The Board follows accounting principles prescribed or permitted by the Ministry of Municipal Affairs and Housing of Ontario in the preparation of these financial statements. The more significant of these accounting policies are presented below:

Accrual accounting -

The Board follows the accrual method of accounting for revenue and expenditures.

Capital expenditures -

Fixed asset purchases are charged to current expenditures in the year of acquisition.